

# Herald Tribune

Published With The New York Times and The Washington Post

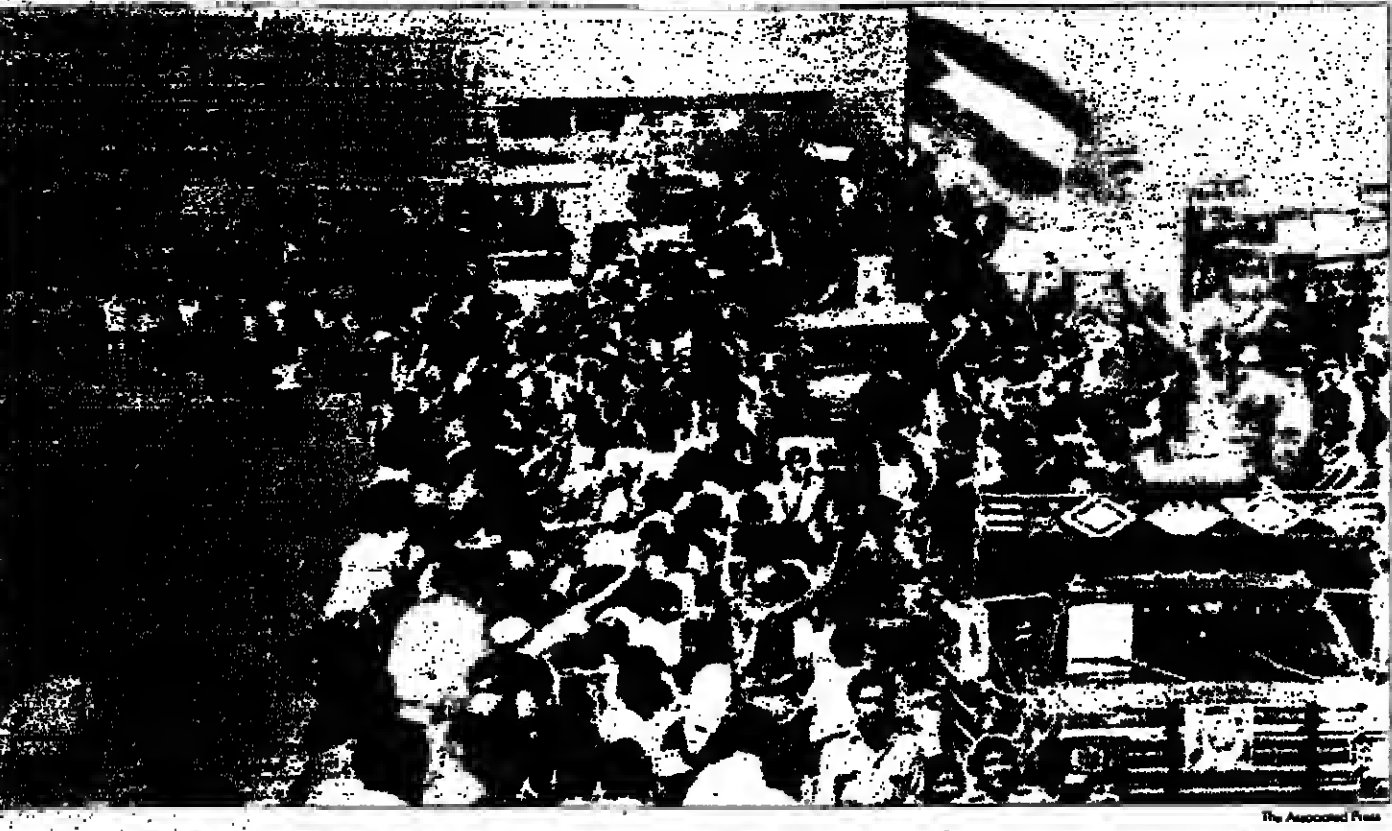
PARIS, SATURDAY-SUNDAY, AUGUST 28-29, 1982

ESTABLISHED 1887

THE GLOBAL NEWSPAPER  
Printed Simultaneously  
in Paris, London, Zurich  
and Hong Kong

WEATHER DATA APPEAR ON PAGE 10

No. 30,955



The first Palestinian guerrillas arrived Friday at the Syrian border post of Jdeideh, 30 kilometers from Damascus.

## Beirut Exit by Land Begins

### PLO Leaves Heavy Arms With Leftists Despite Pact

### Procession of 207 Vehicles Takes Combatants to Syria

By Loren Jenkins  
Washington Post Service

BEIRUT — The Palestine Liberation Organization has distributed its heavy weapons and vast ammunition stores to leftist Lebanese militias in contravention of the U.S.-mediated agreement that they would be turned over to the Lebanese Army when the guerrillas withdrew from Beirut.

The PLO on Thursday turned over tanks, heavy artillery, anti-aircraft batteries, mobile rocket launchers, mortars, jeep-mounted recoilless rifles and huge stocks of shells and small-arms ammunition to the collection of leftist and Muslim militias that had fought at their side during the 10-week Israeli siege of West Beirut. The PLO's move raised concerns about new confrontations in the Lebanese capital.

Under the agreement negotiated by Philip C. Habib, the U.S. special envoy, to end the siege and guarantee the PLO's peaceful evacuation of the city, Palestinians were allowed to depart with their small arms — assault rifles and pistols — but were to turn over all their heavy weaponry to the Lebanese Army.

The PLO has refused to do this because it and its Muslim allies consider the Lebanese Army an instrument of the rightist Christian Phalangist Party, which has been the Muslims' most implacable enemy in Lebanon.

The PLO action appears to set the stage for an eventual showdown over the arms between the leftist militias and Bashir Gemayel, the Phalangist militia chieftain, who was elected president Monday and is to take office Sept. 23.

Israeli officials said Friday that they had no independent confirmation of the reports, but that the turning over of the weapons to the leftist forces would be a violation of the evacuation plan, correspondent Ed Walsh reported from Jerusalem.

But the officials apparently prefer, for the moment at least, to allow the evacuation to proceed with a minimum of public comment from Jerusalem.

There are some difficulties in the field, but on the whole the process is going according to schedule, an official said.

The heavy weapons were distributed to Nasserite, Socialist, Shiite Muslim and Communist militias as the PLO chairman, Yasser Arafat, made the rounds of the city that has been his home for 12 years to say his final goodbyes to colleagues and Muslim leaders who have been his allies.

Amid crowds of supporters with tears in their eyes, Mr. Arafat stopped at several of his PLO offices in the heavily bombed Fakhani district, embracing comrades and office workers. He held a session with his brother, Fathi, the head of the Palestine Red Crescent, who left Beirut Thursday afternoon with 165 wounded PLO fighters on board a West German Red Cross hospital ship.

For security reasons, Mr. Arafat has kept his exact departure date and method secret. But his melancholy pilgrimage was taken as a sign that his departure was imminent.

Some Marines' Guns Empty

A Pentagon spokesman, Henry E. Catto Jr., said Thursday that some of the 800 U.S. Marines monitoring the evacuation of armed Palestinian guerrillas from Beirut are carrying unloaded M-16 rifles, United Press International reported from Washington.

But the spokesman said the troops with unloaded guns have ammunition clips at their side and can load their guns within seconds.

Mr. Catto also said that contacts between Marines and the PLO, such as one Wednesday regarding logistical details of the evacuation operation, in no way constitute formal recognition of the PLO.

Plan to Disarm Militias

United Press International quoted a spokesman for the militia forces led by Mr. Gemayel as saying Thursday that the president-elect will act within 60 days after his inauguration to dissolve all the private armies in Lebanon.

In addition, an official of the Lebanese Defense Ministry, Maj. Atef Rorbei, confirmed that plans are being made to disarm the unofficial forces that have defended rival interests since the Lebanese civil war of the mid-1970s.

Compiled by Our Staff From Dispatches

BEIRUT — The first group of Palestinian fighters was evacuated from Israeli-encircled Beirut to Syria on Friday in a long convoy of military vehicles.

The overland withdrawal marked a new stage in the delicate process of evacuating Palestinian forces from Lebanon, their main base for more than a decade.

About 4,000 men have left Beirut by sea for new homes in Arab countries.

Israeli troops drew back out of sight of the Beirut-Damascus highway to let the procession pass. But as the column emerged from the besieged western sector of Beirut, Israeli officers stopped it for half an hour to demand a more efficient system of counting the departing fighters.

The convoy carried about 1,500 fighters, according to a count by Lebanese Army troops at a West Beirut checkpoint. Some were Syrian soldiers, but most were members of the 3,500-man Palestine Liberation Army.

Maj. Gen. Amir Dori, commander of Israel's invasion forces in Lebanon, followed the convoy through the hills to Bhamdoun, the last Israeli-held town on the highway 12 miles from the capital. He later told reporters there were 1,300 Palestinians in the convoy.

PLO Men Sail

Meanwhile, 19 more truckloads of Palestine Liberation Organization troops boarded the Cypriot passenger ship Sol Georgios and sailed from the U.S.-controlled Beirut port on Friday.

A PLO commander said 750 members of Yasser Arafat's mainstream al-Fatah group and other PLO factions were leaving on the Sol Georgios. But Lebanon's state radio said 700 were leaving, and an Israeli Army spokesman in East Beirut put the figure at 600.

There was no way to reconcile the different counts.

The overland convoy comprised 207 cars, trucks and jeeps, including a Soviet-made tank and a truck bearing an anti-aircraft gun. Many of the vehicles were festooned with photographs of Mr. Arafat and President Hafez al-Assad of Syria.

Lebanese Army vehicles and five jeeps of Italian troops escorted the convoy to the Syrian border to protect them from attack by Christian militiamen. The overland evacuation had been due to start Wednesday, but was delayed because of Palestinian fears that the fighters would be attacked by Lebanese Christian militias.

Above Beirut in the Christian village of Kahale, a farmer outside the local office of the Christian militias said as the Palestinians went past, "I wish they'd gone years ago." But farther along the road in the Muslim village of Roueissat Sofar, about 500 people waved victory signs and threw rice to the fighters.

Looking Forward

As the fighters left Friday, officials began to turn their attention to the future of Lebanon.

U.S. Sen. Charles H. Percy, an Illinois Republican who is chairman of the Foreign Relations Committee, called on Lebanese President Elias Sarras in Beirut and later met President-elect Bashir Gemayel.

Mr. Gemayel, a rightist Christian leader whose election this week was bitterly opposed by Muslim leaders, told reporters, "I hope we will be able — all together as Lebanese, Christians and Muslims — to rebuild a strong, clean and nice country. We need the support of the United States to help in this task."

U.S. Defense Secretary Caspar W. Weinberger is due in Beirut on Tuesday for meetings with Mr. Gemayel and officials of the U.S. Marine peacekeeping force there, a White House spokesman announced in Santa Barbara, Calif. The spokesman said Mr. Weinberger would then continue to Israel and Egypt in accordance with long-standing invitations to visit those two countries.

The Lebanese transport minister, Elias Hrawi, and military and security officials set a target of Wednesday or Thursday to reopen Beirut's international airport to civilian traffic. The airport had been closed since June 7, the day after the Israelis invaded Lebanon, until Friday night when an Israeli Air Force plane flew there from Tel Aviv.

## U.S. Willing to Lift Pipeline Sanctions For New Curbs on Russia, Officials Say

By Leslie H. Gelb  
New York Times Service

WASHINGTON — The Reagan administration is prepared to remove sanctions against European companies defying U.S. law by building the Soviet natural gas pipeline to Western Europe if other means can be found to maintain economic pressure on Moscow, senior officials said Friday.

The officials said they hoped the Western Europeans will be able to develop a combination of measures, including limiting export credits to the Soviet Union, tightening controls on technology transfers, withholding exports of other kinds of oil and gas equipment and canceling contracts for the second stage of the pipeline.

The purpose of Mr. Reagan's sanctions against supplying the pipeline is to induce Moscow to lift or soften its own law, officials said. The administration hopes to achieve the goal but avoid further confrontation between the United States and its European allies, which are supplying most of the equipment.

As of now, according to the officials, the administration has not made a formal proposal to the Europeans, and there has been no indication that the Europeans are prepared to suggest alternatives of their own. "We are looking for creative diplomacy," said one White House aide, but neither he nor others expressed optimism about an early solution.

Administration officials said, in effect, that given President Reagan's determination to impose some sanctions, the idea of looking for alternative sanctions to those announced Thursday appeared to be the only serious route to avoiding an escalation of the confrontation.

The U.S.-Europe conflict reached a high Thursday when President Reagan issued a technology denial order on Dresser France, a French subsidiary of Dresser Industries of Dallas, and Creusot-Loire, a company owned by the French government and one of the prime contractors for the pipeline. The companies, under order from the French government, had defied a U.S. embargo against shipping pipeline equipment.

The Commerce Department placed these companies on a "temporary denial" list, which bars them from buying any goods and services from the U.S., but does not prohibit exports by them to the United States.

Attorneys for Dresser France appealed the denial order to the U.S. Commerce Department Friday on the grounds that it is unconstitutional and illegal. The Associated Press reported. A commission in the Commerce Department's international trade administration will hold a hearing on the appeal, but a date had yet to be set, department officials said.

Other European companies using American technology to produce turbines and compressors to pump gas through the pipeline are also expected to defy the president's ban on these exports. John Brown Engineering Co. of Britain is said to be readying turbines produced under license from the General Electric Co. for shipment to the Soviet Union next week.

From its inception, the Reagan administration sought to block construction of the pipeline on the grounds that it would increase European dependency on Moscow for energy and provide the Russians with much needed hard currency for purchases in the West.

But Mr. Reagan did not take legal action until December when martial law was imposed throughout Poland and leaders of the Solidarity labor movement were imprisoned. His first move was to ban the sale of oil and gas equipment by U.S.-based firms. In June, citing no progress toward alleviating conditions in Poland, he extended the ban to include U.S. overseas and companies manufacturing the equipment under U.S. license.

The officials said that the Europeans have three options: retaliating against U.S. companies, fighting the battle through U.S. courts, and looking for alternative sanctions against Moscow.

## Arabs Aim New Strategy At Israel and Its Allies

By Bradley Graham  
Washington Post Service

TUNIS — Arab leaders are expected to outline a "global confrontation strategy" against Israel and its supporters — including the United States — at Washington's Mideast policy does not change — at a summit meeting next month, according to the Arab League's secretary-general, Chadi Klibi.

Mr. Klibi indicated in an interview at the league's headquarters here, however, that the heads of state would probably shy away from immediate economic sanctions against Israel's allies.

"The first thing to do in the face of things in Lebanon is to work out a global strategy based on confrontation that will deal with the aggression of Israel," Mr. Klibi said.

"You can expect a final declaration measured in tone. There will be no invective, no slogans. But I hope we will succeed in setting up a global confrontation strategy in which we shall outline all our fighting means."

By this, Mr. Klibi said he meant that the final summit declaration could well contain a threat to involve economic sanctions, along with other measures. Pressed on specifics, he said the Arab strategy would be "centered mainly on moral force and international principles of justice and peace."

The remarks by the league's top administrator seemed to reflect an eagerness among Arab states to make up for their lack of action during the Israeli advance into Lebanon. But weakened control of

the world oil market and internal Arab policy differences may have diminished the likelihood of united and effective pressure tactics against Israel's supporters comparable to the oil embargo that came after the 1973 Mideast war.

On the other hand, the Israeli invasion does appear to have strengthened Arab unity by pushing Egypt closer to Arab League acceptance. Mr. Klibi reported that the question of readmitting Egypt would likely be considered by Arab foreign ministers meeting this weekend in Mohammedia, Morocco, to fix the agenda for the summit, which tentatively is scheduled for Sept. 6.

Egypt, the only Arab state to sign a peace treaty with Israel, has been banned from Arab League meetings since 1978. But in the aftermath of the attack in Lebanon, Egypt has distanced itself from Israel.

Speaking critically about U.S. policy, Mr. Klibi, who is Tunisian, warned that the Reagan administration is risking a rupture with the Arab world if it does not control Israel and revise its Mideast policy to recognize the right of a Palestinian state to exist.

The last Arab summit in November was suspended following a deadlock over an eight-point plan put forward by Saudi Arabia, which, among other things, called for the establishment of an independent Palestinian state in the Israeli-occupied West Bank and Gaza Strip and the right of all nations in the Middle East to live in peace.

Whether discussion of the Saudi plan is resumed, Mr. Klibi said, "depends on what backing the United States appears ready to give to the proposal."

An alternative plan, which President Habib Bourguiba of Tunisia asked this week be placed on the summit agenda, specifically calls for the recognition of Israel in the context of the 1947 United Nations resolution that called for the partition of Palestine into Israeli and Palestinian states.

Mr. Klibi said the proposal's aim is to provide a formula for recognizing Israel while reminding the United States in particular that the right of a Palestinian state to exist already has been recognized by the international community.

Islamic Condemnations

The Islamic Conference Organization has ended its 13th ministerial session with condemnations of the United States and the Soviet Union, the Associated Press reported Friday from Niamey, Niger.

A final communique issued Thursday night said U.S. policies in the Middle East in support of Israel are against the rights of the Palestinian people, but rejected Iran's demand for an oil embargo. The group also reiterated its demand for the withdrawal of all foreign troops from Afghanistan.



Secretary of State George P. Shultz, right, with Defense Minister Ariel Sharon of Israel Friday.

Only Libya and Chad failed to send representatives to the four-day session that attracted 40 of the organization's member nations. The memberships of Egypt and Afghanistan previously were suspended.

Later Israeli reporters quoted Mr. Sharon as saying, "There were and are differences with the United States" on the Palestinian autonomy issues, but that the talks would now be pursued.

As Mr. Sharon met with Mr. Weinberger and Mr. Shultz, the PLO's newly appointed representative in Washington, Hassan Rahm, used his introductory news conference to denounce the Israeli defense minister and promise more PLO attacks "as long as there is an illegal military occupation of Palestinian land."

Earlier, Joanne Omang of The Washington Post filed the following account from Washington:

American Jewish leaders have asked Mr. Shultz to avoid any steps in the Middle East that might "rehabilitate" the Palestine Liberation Organization.

Julius Berman, president of the Conference of Presidents of Major American Jewish Organizations, said he and 13 other Jewish notables were asked Thursday by Mr. Shultz to give their off-the-record views as part of Mr. Shultz's consultations on the future of the Mideast.

Mr. Berman said the group had expressed "the general hope that nothing be done by the United States that could possibly rehabilitate the PLO," which has been "virtually destroyed" by its expulsion from Lebanon "and can only be rehabilitated by a band stretched out by the United States."

Israelis Back Begin, War

Opinion polls published Friday in Tel Aviv showed that an overwhelming majority of Israelis support the invasion of Lebanon and that Prime Minister Menachem Begin's popularity has soared to its highest level ever, United Press International reported.

One of the two polls conducted for the Jerusalem Post showed that Mr. Begin's Likud bloc would win 66 seats in the 120-member Knesset (parliament) if elections were held now. Likud won 48 seats in elections in June, 1981.

## Sharon, in U.S., Links Pullout to Safe Border

United Press International

WASHINGTON — Defense Minister Ariel Sharon of Israel said Friday that his troops would leave Lebanon when an agreement is reached to provide "security for Israel on its northern border."

Mr. Sharon, following separate meetings with Secretary of Defense Caspar W. Weinberger and Secretary of State George P. Shultz, said Israel did not intend to keep "one square inch" of Lebanese territory.

Asked by reporters when Israeli troops would withdraw from Lebanon, Mr. Sharon said the pullout would be the third phase in a series of actions foreseen by Israel.

The first phase, which he described as "the expulsion of the PLO terrorists" is now in progress. The second would involve the withdrawal of Syrian troops.

The third, he said, "will come when we hope to find a peace agreement with Lebanon which will bring a complete change in the situation, which will give the needed, or necessary, security measures for Israel on its northern border."

Later Israeli reporters quoted Mr. Sharon as saying, "There were and are differences with the United States" on the Palestinian autonomy issues, but that the talks would now be pursued.

As Mr. Sharon met with Mr. Weinberger and Mr. Shultz, the PLO's newly appointed representative in Washington, Hassan Rahm, used his introductory news conference to denounce the Israeli defense minister and promise more PLO attacks "as long as there is an

illegal military occupation of Palestinian land."

Earlier, Joanne Omang of The Washington Post filed the following account from Washington:

American Jewish leaders have asked Mr. Shultz to avoid any steps in the Middle East that might "rehabilitate" the Palestine Liberation Organization.

Julius Berman, president of the Conference of Presidents of Major American Jewish Organizations, said he and 13 other Jewish notables were asked Thursday by Mr. Shultz to give their off-the-record views as part of Mr. Shultz's consultations on the future of the Mideast.

Mr. Berman said the group had expressed "the general hope that nothing be done by the United States that could possibly rehabilitate the PLO," which has been "virtually destroyed" by its expulsion from Lebanon "and can only be rehabilitated by a band stretched out by the United States."

Israelis Back Begin, War

Opinion polls published Friday in Tel Aviv showed that an overwhelming majority of Israelis support the invasion of Lebanon and that Prime Minister Menachem Begin's popularity has soared to its highest level ever, United Press International reported.

One of the two polls conducted for the Jerusalem Post showed that Mr. Begin's Likud bloc would win 66 seats in the 120-member Knesset (parliament) if elections were held now. Likud won 48 seats in elections in June, 1981.

Both he and Mr. Jaffré noted the persistence of stereotypes in the way both Americans and French think of each other — an ignorance that they said contributes to the risk that the increasingly negative feelings will fuel political frictions.

## Poll Finds Rising Mutual Criticism Among French and U.S. Opinion Makers

By Joseph Fitchett  
International Herald Tribune

PARIS — French and American attitudes toward each other's country are becoming significantly more negative, and this trend is likely to worsen political relations between the two governments, according to analysts interpreting a recent major poll.

The poll was conducted for and funded by the New York-based French American Foundation. It confirmed many apparent trends: growing U.S. distance from Europe, European perceptions of rising economic conflict with the United States, European skepticism of a U.S. foreign policy characterized primarily as "inconsistent."

The polling, for which 1,000 adults were interviewed in each country, was taken in mid-June, at the onset of the present strains between the two countries. The comparisons drawn from the poll included comparisons with a similar survey carried out by the foundation in 1976.

Analyzing the poll's political implications, specialists noted the French people increasingly believe that U.S. foreign policy is motivated by a desire to protect national economic interests. Because of this view of U.S. indifference to European unemployment, the specialists said, anti-Americanism could easily spring from France's current trade disputes with the Reagan administration.

Particularly alarming, the analysts said, was another trend emerging in the poll results: College graduates in both the United States and France are especially critical of the other country.

"This relatively well-informed and opinion-forming elite, which in each country traditionally has been the constituency for better understanding between the two countries, is precisely the group where understanding is losing ground," according to Nicholas Wahl, a political scientist who is the director of the Institute for French Studies at New York University.

According to Mr. Wahl, the election of a Socialist government in France, while apparently not affecting U.S. public opinion of France in general, has alarmed many better-educated and wealthier Americans. Similarly, the better-educated and wealthier French are inclined to believe that U.S. prestige has declined and to doubt the wisdom of U.S. foreign policy.

A prominent French pollster, Jérôme Jaffré, the chief political analyst for the firm SOFRES, said: "The dramatic truth is that a large part of the French elite have negative attitudes toward the United States, and elite opinion in the United States has an inaccurate understanding of France."

The 1982 polls showed a paradox at the core of U.S.-French relations. The two nations have moved closer together in recognizing the need for Western cooperation to offset growing Soviet military power. At the same time, economic issues have emerged as a major divisive problem.

For example, more than half of the French people interviewed said they believed in the importance of U.S.-French military cooperation in a crisis — double the percentage six years ago. Mr. Jaffré said this shift was related to a dramatic drop in the prestige of the Soviet

Union among French people as documented in opinion polls in the past decade.

But when French people were asked about U.S. foreign policy, a large proportion (30 percent) said the United States was acting in its own self-interest by trying to protect and expand American business and investments in the world, and 20 percent said the United States was seeking to impose its will on the rest of the world.

Twenty-five percent indicated that a primary U.S. objective is to maintain world peace, and 25 percent said U.S. foreign policy was an attempt to contain Communism.

Receding Concerns

Another trend that bodes ill for transatlantic relations, the analysts said, is that France and other West European nations, except Britain, are receding from most Americans' concerns.

While the poll focused on French-U.S. relations, the questions showed that France still is perceived by Americans less favorably in many respects than West Germany and, above all, Britain. France was ranked high for cultural

products, fashion and wine, but low for industrial and military achievements.

This image is partly due to French publicity in the United States for luxury products rather than industrial products, which are mainly exported not to the United States but to Third World countries, Mr. Wahl said. But, he added, most Americans are unaware that France leads European countries in defense spending and in nuclear development.

In another result, said to reflect the order of Americans' preferences among European countries, Americans ranked the Netherlands ahead of France among the countries likely to emerge in the strongest economic position in the next 10 years. In order, Americans favored West Germany (43 percent, compared with 51 percent in 1976), Britain (17 percent, compared with 13 percent in 1976), then the Netherlands.

Other results reflected a growing U.S. indifference to France. Asked whether President Reagan and President François Mitterrand are closer than President Jimmy Carter and President Valéry Giscard d'Estaing, both French



## A Leader of Solidarity Pins Union's Future To Protests Tuesday

By Michael Dobbs

**WARSAW** — An underground Solidarity leader says the union's future will depend to a large extent on the outcome of mass demonstrations planned for next week in defiance of martial law.

In a statement published in a clandestine Solidarity newspaper that reached Western correspondents here Friday, Zbigniew Bujak acknowledged that the decision to organize street rallies throughout Poland carried considerable risks and could result in bloodshed. But he defended it as being preferable to uncoordinated local protests and necessary to force the government to negotiate with Solidarity.

Mr. Bujak, 28, the head of Solidarity's once-powerful Warsaw chapter, managed to escape arrest during the military takeover last December and has been in hiding ever since. He is regarded as the most influential figure in the union's five-man underground leadership that issued the call for demonstrations next Tuesday to mark the second anniversary of the Gdansk agreement that recognized the right of workers to form free trade unions.

His statement in the latest issue of Solidarity's Warsaw weekly, *Tygodnik Młmawozwz*, provides an insight into the thinking of the underground as it prepares for perhaps its most important test yet. The Communist authorities have vowed to prevent the demonstrations from taking place and the Catholic Church has advised Poles to keep off the streets.

### Tough Speech

A measure of the seriousness with which the government views the threat of nationwide demonstrations came in a toughly worded speech by the Communist Party secretary responsible for organizational matters, Kazimierz Barcikowski, to shipyard workers in Szczecin, site of possible trouble spots. He said the protests were designed to pave the way for an all-out general strike which, if successful, would be followed by an armed insurrection against the Communist regime.

Explaining why Solidarity's provisional leadership decided to call for demonstrations, Mr. Bujak said it had been seeking the most effective and visible form of protest. The government had been able to keep quiet the scale of token strikes held inside factories but was much more afraid of public

protests in which the demonstrators outnumbered the security forces.

The article, entitled "Defense of the Union," made clear that Solidarity is planning a different form of demonstration from previous rallies that were largely spontaneous. Mr. Bujak said much would depend on "organized groups of demonstrators" whose task it would be to prevent attempts by the security forces to disperse the crowds.

The new Solidarity tactics, according to Mr. Bujak, are based on lessons learned from rioting in the southwestern city of Wroclaw June 13. On that occasion, he said, the crowds lost their sense of fear and managed to throw the elite riot police, known as ZOMO, on the defensive.

"In such an event, the ZOMO have a very difficult choice: whether or not to shoot. As the people's power, they are afraid to shoot — but it's always possible that they will," he said.

He added: "The course of the marches on the August anniversary will, to a significant extent, decide the strategy which we adopt in the fourth year of the revolution. It turns out that the people are not afraid and organize themselves so as to prevent any attempts to break up the demonstrations, that will mean the continuation of a radical policy of pressure on the authorities. In a relatively short time, the government will be forced to talk with the church and the union."

On the other hand, the authorities succeed in dealing with the demonstrations, that would mean that we are not capable of undertaking any radical form of resistance and that we must abandon mass actions. Then all that would remain for us would be long-term resistance."

■ **Hijackers Were Unionists**  
West German authorities said that the two Poles who hijacked a LOT plane on a Budapest-Warsaw flight and landed in Munich on Wednesday were members of Solidarity who said they were fleeing repression. The Associated Press reported from Munich.

The hijackers, identified as Franciszek S., 25, and Ryszard P., 27, both metalworkers, have been charged with endangering air traffic and coercion. They are to be tried in a Munich court. The minimum sentence they could receive is one to five years.

## U.S. Researchers Find Brain-Repair Protein

By Roxane Arnold

**LOS ANGELES** — A team of University of California researchers has found that the brain produces chemicals to repair itself after being injured, a discovery that raises hopes for successful transplants of human brain matter.

In what some experts are calling "incredibly significant" research, scientists at the University of California's Irvine and San Diego campuses have demonstrated for the first time that the brain's production of self-repair biochemicals, proteins called growth factors, reaches a peak days after an injury. Because of that, researchers say, they can better time the transplanting of tissue to an injured brain or spinal cord.

The research, published in the August edition of *Science* magazine, has been limited so far to surgical experiments on rats and the growth of cell cultures and other laboratory experiments.

Although very preliminary work on damaged brain tissue in humans has been conducted in Sweden, the researchers stress that it is several years off in the United States.

"We hope we're talking less than five years in repairing some minor injuries with transplants," said Carl Cotman, a psychology professor, who headed the research at the Irvine campus. "I don't want to mislead anybody into thinking we can cure their problem yet, but advances are happening very fast."

He said a major discovery in the research was the lag time between the brain injury and the increased production of the self-repair chemicals.

"People have been studying

growth factors for a long time in brain and spinal cord tissue," Mr. Cotman said, "but people haven't seen before that growth factors increase with injury and that the brain is making an effort to repair itself."

In one of the experiments, researchers removed part of the cerebral cortex of an adult rat, then implanted a completely different brain section from an embryonic rat into the empty cavity.

Mr. Cotman said that the brain eventually rewired itself, growing neural lines from new brain tissue to old without much difficulty.

## Iraq Offensive Aimed at Choking Off Iran Oil

By Nicholas Moore

**LONDON** — Iraq has begun a bombing and propaganda offensive to threaten the flow of oil from Iran and is having some success, according to Western diplomats and oil industry sources.

The sources said on Thursday night that Iraq's claims of having hit the key Iranian oil terminal at Kharg Island and its proclamation of a maritime exclusion zone in surrounding Gulf sea lanes had surrounded tankers from loading Iranian oil.

London shipping sources could name only two tankers available to sail to Kharg, where Iraq said its planes scored hits last week and again Wednesday. Oil brokers could not find Iranian oil for sale in the Rotterdam spot crude oil market.

Oil company sources said no appreciable threat would be posed to supply because the market is glutted with crude oil from the Organization of Petroleum Exporting Countries, nor would the absence of Iranian oil in itself trigger a price increase. They acknowledged some concern, however, about possible repercussions.

### Reports on Retaliation

The Gulf war between Iran and Iraq began in September, 1980, when Iraqi troops entered Iran. The Iranian Army has pushed back into Iraq in recent months, and Iraq's attempt to stop the flow of Iran's oil appears to diplomats to be an effort to deprive Iran of the revenue to finance the offensive.



Supporters carry President-elect Bashir Gemayel of Lebanon in the Christian mountain town of Khashe, a Phalangist stronghold. Mr. Gemayel visited the town Friday after pro-Syrian troops passed through it on their way to Damascus in the first overland PLO evacuation from Beirut.

## Cooling of Egypt-Israel Relations Seen as Threat to Autonomy Talks

By Bernard Gwertzman

**WASHINGTON** — Egypt's attempt to distance itself from both the United States and Israel after the Lebanese invasion could hamper U.S. efforts to make an early start in reviving diplomatic efforts to resolve the Palestinian issue, according to Reagan administration officials.

Officials said that President Hosni Mubarak of Egypt has made it clear publicly and privately that Egypt would not resume direct talks with the Israelis on Palestinian self-rule until all Israeli troops are withdrawn from Lebanon. Moreover, the Egyptians are suggesting that they want some major concessions in advance, from both Israel and the United States, before agreeing to negotiations.

The Israelis, aware of Egypt's position, have moved to take advantage of the situation in public relations terms by calling in recent days for the prompt resumption of the Palestinian self-rule talks, U.S. officials said.

The negotiations to bring about Palestinian self-rule in the Israeli-occupied West Bank and the Gaza Strip were part of the Camp David accords of 1978. At Camp David, Egypt, Israel and the United States agreed that the Palestinians should have "full autonomy" during a five-year period while subsequent negotiations would work out the ultimate status of the region.

### 'Full Autonomy' an Issue

But the three sides have failed to agree on what is meant by "full autonomy." Efforts have also been complicated by the refusal of Jordan or local Palestinians to join the talks.

Secretary of State George P. Shultz has been meeting with various public figures to hear their views on the Palestinian and other Middle East issues. But he has avoided endorsing an early return

to the autonomy talks in part because of the Egyptian objections, administration officials said.

An official said it was "quite conceivable" that the initial diplomatic efforts by the United States would consist of separate talks with Egyptian, Israeli and Jordanian officials to resolve for possibilities. Mr. Shultz may do some of this when he is at the regular United Nations General Assembly session in September.

According to U.S. officials, the Egyptians are trying to regain acceptance in the Arab world, and the Israeli invasion of Lebanon set back these efforts. As the only Arab state to have a peace treaty with Israel, Egypt was under pressure, even from within its own establishment, to sever or downgrade relations with Israel. U.S. officials said, Mr. Mubarak has not initiated any new ones, they said.

### 'Less Visible' U.S. Ties

Moreover, an official said that the Egyptians also want a "less visible connection" with Washington, since the United States is viewed in the Arab world as Israel's sole supporter and benefactor.

Sympathetic to Egypt's concerns, the Pentagon has not approached the Egyptians for renewal of large-scale joint military exercises that were held in the past two years, a Pentagon official said.

Instead of a large-scale exercise in Egypt, the United States is concentrating on a smaller maneuver this fall with Oman, where the Americans have the right to use an air base.

An administration concern is that the Egyptians, by seeming to be unwilling to resume negotiations, play into the hands of those Israelis who would like to annex the West Bank and Gaza Strip.

One problem with the autonomy negotiations is that U.S. officials are not confident that the Israelis

are willing to make the kind of concessions needed for a workable accord.

Washington has publicly taken issue with several aspects of current Israeli policy.

The first is that the Israelis call the Palestinians living in the West Bank and Gaza, "the Arabs of the Land of Israel." This seems to preclude any solution short of Israeli sovereignty for the area.

The second is the continuing establishment of Jewish settlements in the occupied lands, which Mr. Shultz has said President Reagan views as "not constructive" to diplomatic efforts. The third has been Israel's dismissal of elected Palestinian mayors and its effort to install only mayors acceptable to Israel.

The fourth is the Israeli government's effort to deflect proposals for a Palestinian homeland in the West Bank and Gaza by saying that such a "homeland" already exists in Jordan, and that a Palestinian state could be established there.

This seems to leave open the possibility of Israeli support for the overthrow of King Hussein. It led the State Department once again Thursday to issue a statement affirming support for the territorial integrity and sovereignty of Jordan.

### Mubarak Vow to Palestinians

Mr. Mubarak pledged Friday that he will intensify his efforts to help the Palestinian people recover "dignity, security and land," United Press International reported from Cairo.

Mohammed Badar, the Suez City governor, told 500 Palestinians headed from Beirut to Sudan aboard a Greek ship, "President Mubarak asked me to tell you that he made a strenuous effort, in personal, diplomatic and political contacts, to stop your exodus before a comprehensive solution to the Palestinian problem is reached. But he was not able to achieve this."

## Terrorists Kill Turk on Ottawa Street

Armenian Group Says It Slew Military Attaché

**OTTAWA** — Turkey's military attaché in Canada was shot and killed Friday while he waited in his automobile at a stoplight. Armenian terrorists claimed responsibility for the slaying.

Col. Atilla Altik, 45, was killed at an intersection on Island Park Drive in a fashionable area of Ottawa where many foreign diplomats live. A suspect was arrested in a wooded area near the scene of the attack, the police said.

They said that a second suspect, who fled in a small, foreign-made car, was being sought. Police in New York state, which is just over the U.S. border, were alerted to be on the lookout for the second suspect, the authorities said.

### 2d Attack in Canada

In a call to a news agency in Montreal, a man described as having a heavy accent claimed that the so-called Justice Commandos of Armenian Genocide were responsible for the killing. "We will strike again," the caller warned.

The slaying of Col. Altik was the second attack on a Turkish diplomat in Canada in five months.

In April, Armenian terrorists claimed responsibility for an attack in which Kameletian Kani Gunor, the Turkish commercial attaché, was shot and wounded in the garage of his home. An underground organization, the Armenian Secret Army for the Liberation of Armenia, later claimed responsibility for the attack.

In Friday's slaying, Col. Altik had halted for a traffic light, said Supt. Lester Thompson of the Criminal Investigation Division. Then a man stepped from a nearby car, approached the passenger's side of the limousine and opened fire with a hand gun, Supt. Thompson said.

A car that police theorized had been used by the assailants was found abandoned near an apartment building.

At least 23 attacks have been made against Turkish diplomats or representatives worldwide since 1973. Many of them have been cited by Armenian groups as being in revenge for a massacre of Armenians by Turkey in 1915.

### Armenians Reported in PLO

Reuters reported from Ankara that Turkish newspapers on Friday published detailed reports alleging that Armenian guerrillas had fled from their headquarters in Beirut to Cyprus under cover of the current withdrawal of Palestinian guerrillas.

The Greek-Cypriot government has insisted that no armed Armenians are on the island. The Armenian Secret Army for the Liberation of Armenia has its base in Beirut.

## Greece Takes Steps To Clean Athens Air, Tourist Area

The Associated Press

**ATHENS** — The government has ordered a cleanup of the Plaka tourist district beneath the Acropolis, and has announced traffic curbs in the city center to combat pollution.

The plan for the Plaka, announced Thursday by Environment Minister Antony Tritsis, calls for discotheques, nightclubs, bars and electronic games centers to move out by the end of next summer. Earlier this year, the government tourist organization closed more than 50 cheap hotels regarded by police as centers of marijuana and heroin traffic.

Mr. Tritsis said no new hotels will be allowed in the Plaka and a special architectural office attached to the Environment Ministry will supervise building there. Similar measures are planned for other Greek towns with historic centers, he said.

The traffic restrictions in central Athens, announced Friday, will go into effect Sept. 15. As of that date, private cars will be banned from a central zone between 7 and 9:30 a.m.

Private cars and trucks were banned from the city center in June, but the restrictions were lifted in July and August.

## Juan Carlos Dissolves Cortes, Calls Elections

Compiled by Our Staff From Dispatches

**MADRID** — King Juan Carlos I signed a decree Friday dissolving the Cortes, Spain's parliament, and calling for early general elections.

Juan Carlos signed the decree during a meeting with Premier Leopoldo Calvo Sotelo at the king's vacation home in Palma, Mallorca. Mr. Calvo Sotelo had flown there from Madrid after chairing a Cabinet meeting.

In a nationwide address over radio and television Friday evening, Mr. Calvo Sotelo confirmed the election date of Oct. 28.

He said no party consideration had led him to dissolve the parliament but that circumstances had changed in the last weeks with the creation of new parties.

"This situation does not permit, in my opinion, the opening of a new session of parliament in acceptable conditions of stability and efficiency," he said.

The four-year parliamentary term does not expire until June, but squabbling within the centrist coalition and numerous defections have made it virtually impossible for Mr. Calvo Sotelo to govern.

Elections have been held only twice since the death of Franco in 1975. Mr. Calvo Sotelo's party has won both elections, but political sources said a new vote could lead to a radical realignment of Spanish politics.

Opinion polls have shown the Socialists, led by Felipe Gonzalez, to be in the lead. The party's swing toward moderation could give it a good chance of winning enough seats to form the next government.

But the sources said the election of a Socialist government for the first time in modern Spanish history would shake the military, some of whose ultraconservative members equate Mr. Gonzalez's views with Marxism and atheism.

## France Decides to Sell Mirage-2000s to China

Reuters

**PARIS** — France has decided to sell its most advanced fighter, the Mirage-2000, to China, and negotiations have started in Peking, Defense Minister Charles Hernu has disclosed.

China has been pressing for some time to buy Mirages but French officials have consistently said that there were no plans to sell the planes to China.

China has been eager to update its air force. Most of its fighter-bombers are Soviet-built MIG-17s and MIG-19s, 20 years old and obsolete.

The Mirage-2000 is equipped with the latest in electronics and capable of carrying advanced missiles such as the Exocet, which proved effective for Argentina against the British Navy in the Falklands conflict.

### Joint Production

Mr. Hernu said talks had started in Peking on the sale of the aircraft and the two sides were discussing a multibillion-dollar deal, including the transfer of technology and joint production.

Last year the Chinese chief of staff, Gen. Yang Deshi, visited Paris, and over the past 10 years Chinese military missions have toured French arms production plants.

Mr. Hernu said that a French delegation was now in Peking conducting detailed negotiations with the Chinese military authorities.

### China's Also Been Pressing

France to sell Crotale anti-aircraft and MILAN anti-tank missiles but there was no indication that the sale of these was under discussion.

Former President Valéry Giscard d'Estaing stepped the issue of selling the Mirage-2000 to Peking to avoid antagonizing the Soviet Union.

But earlier this week the chairman of the Chinese Communist Party, Hu Yaobang, said in an interview published in Paris that Peking was ready to buy Mirages from France and begin joint production.

China has bought 50 French Dauphin helicopters as well as long-range radar networks, and has conditionally agreed to buy French nuclear power plants worth an estimated \$2 billion.

## Pinochet Cabinet Quits in Shake-Up

Compiled by Our Staff From Dispatches

**SANTIAGO** — President Augusto Pinochet has asked for and got the resignation of his 16-member civilian-military Cabinet.

Gen. Julio Bravo, secretary-general of the government, said Thursday that Gen. Pinochet requested the resignations during a special Cabinet meeting so he would have "freedom of action" in adjusting government policies.

## WORLD BRIEFS

### Nine-Day Soviet Space Mission Ends

**MOSCOW** — Three Soviet cosmonauts, including the world's second spacewoman, Friday ended a nine-day mission that proved women "can play an effective role" in future space trips, Tass reported.

The mission's commander, Leonid Popov, 36; Alexander Serebrov, 38; and Svetlana Savitskaya, 34, landed their Soyuz T-5 capsule near Dzhezkazgan in Kazakhstan, Tass reported.

The program of joint research has been carried out in full," Radio Moscow said. "The cosmonauts and experts are alike convinced that women can play an effective role in future space missions." The trip spent eight of their nine days in space aboard the orbiting Salyut-7 space station. Two other cosmonauts aboard the space lab since May 14, Anatoli Beresovoy and Valentin Lebedev, stayed behind to continue scientific experiments, Tass said.

### Czechs Detain U.S., U.K. Attachés

**VIENNA** — Czechoslovak police detained the U.S. and British military attachés and held them for 13 hours Thursday, the U.S. attaché said Friday.

The American, Col. Robert Piper, speaking from Prague by telephone, said he was told by a Czechoslovak officer that British Col. Jeremy Carter and himself had been detained because they were found close to a military area.

They were picked up by the police in the town of Strazovec while on a tour of the area, about 35 miles (56 kilometers) southwest of Prague. "We were taken to the local town council building and were isolated from each other and physically searched," Col. Piper said. He said they were not allowed to contact their embassies but were released shortly before midnight.

### Russian in Brazil Asks U.S. Asylum

**BRASILIA** — A Soviet citizen who vanished mysteriously Aug. 14 from Copacabana Beach has requested asylum from the United States, the Brazilian Foreign Ministry announced Friday.

An official note said the Russian, Sevim Gureybaykov, 32, "is no longer in Brazilian territory."

Mr. Gureybaykov traveled to Rio de Janeiro on Aug. 8 with a Soviet delegation to the convention of the International Political Science Convention. The Brazilian government did not say when the Russian left Brazil, where he is now or whether Washington granted him the requested asylum.

### Uganda Rejects UN Refugee Figures

**KAMPALA**, Uganda — The Ugandan government accused the United Nations High Commissioner for Refugees on Friday of "erroneous and unfounded allegations" about refugees fleeing heavy fighting in western Uganda, and said the commission's reports were aimed at destabilizing the government.

Ugandan radio, quoting highly placed government officials, said, "The Ugandan government demands a prompt correction" from the commission's office. It also denied that any fighting was taking place in the West Nile region. "In fact, Ugandan refugees are returning in ever-increasing numbers to Uganda from Sudan," the radio said.

On Thursday, a spokesman for the High Commissioner for Refugees said in Geneva that between 200 and 400 Ugandans were arriving per day at commission centers in southern Sudan, and that 100,000 were receiving agency aid. He also said that many of the newest arrivals were suffering from malnutrition.

### U.S. Page 'Lied' About Congress Sex

**LITTLE ROCK, Ark.** — Leroy Williams, a former congressional page whose allegations of homosexual activity between congressmen and teenage pages touched off investigations by the Federal Bureau of Investigation and Congress, said Friday he had lied.

"I regret that I have lied," Mr. Williams, 18, said at a news conference with his lawyer. Last month the teen-ager said he had arranged sexual encounters between members of Congress and pages and engaged in homosexual activity himself with congressmen.

It has been reported that Mr. Williams had failed a lie-detector test administered by the FBI. Last week, Justice Department sources said federal authorities investigating the allegations of illicit sex, and other allegations of drug use by congressmen, were about to drop the sex probe because of lack of evidence.

Compiled From Agency Dispatches

NEW YORK'S  
**HOTEL CARLYLE**

MADISON AVENUE AT 76TH ST.,  
NEW YORK 10021  
CABLE: THE CARLYLE NEW YORK  
TELE: 620692

## ADOPTION SERVICES

We are a licensed adoption agency now accepting applications for adoption of children born in the U.S.A. For information, please write or call:

**FRIENDS OF CHILDREN, INC.**  
4325 Memorial Drive  
Decatur, Georgia 30032, U.S.A.  
Telephone: (404) 294-9000.

## 3 Whites Slain in Zimbabwe Were S. Africans

By Allister Sparks

**JOHANNESBURG** — The chief of the South African Defense Force, Gen. Constand Viljoen, admitted Friday that the three white soldiers killed in Zimbabwe on Aug. 18 were members of the South African Army, but said that they were on an unauthorized mission.

Gen. Viljoen's admission followed accusations by the leaders of African countries bordering South Africa that Pretoria is sponsoring clandestine military operations in their countries.

It was also the second time in as many months that the South African Defense Force has said that its men were involved in unauthorized military operations in other countries.

The first time was in June when

evidence was presented at the trial of mercenaries who tried to stage a coup in the Seychelles Islands in November. Fourteen of the mercenaries were South African soldiers and all had been armed by the Defense Force.

On Friday, the defense spokesman for the opposition Progressive Federal Party, Philip Myburgh, said the two events raised serious questions about the state of discipline in the defense force.

Zimbabwean authorities showed the bodies of the three soldiers to journalists on Aug. 22 and later claimed that there was a fourth. Prime Minister Robert Mugabe said the men were members of a South African unit sent to Zimbabwe on a destabilizing mission.

For more than a year Mr. Mugabe has claimed that South Africa has been training large numbers of Zimbabwean dissidents to carry out destabilizing operations in his country.

Although South Africa has denied the accusations, it did not respond immediately to Mr. Mugabe's latest charge. On Monday, Gen. Viljoen announced that he had ordered an investigation.

In what he described Friday as a preliminary report on the investi-

gation, Gen. Viljoen said that the three dead whites were part of a group of 17 former Zimbabweans who had been recruited into the South African Army and who had taken it on themselves to cross the border. The group was trying to free political dissidents they believed were being held in southeastern Zimbabwe, Gen. Viljoen said.

He said the men were based in the northern regions of Transvaal province, and that they had been assigned to patrol a strip three miles wide (4.8 kilometers wide) that runs between the Venda homeland that South Africa regards as independent, and the Limpopo River, which forms the border with Zimbabwe.

Encounter a Patrol  
They were assigned to guard against infiltration from Zimbabwe by guerrillas of the African National Congress, but Gen. Viljoen said the men's emotions became aroused when they heard about dissidents being held in their former country.

They then decided to try to free them, Gen. Viljoen said, and crossed the river on Aug. 14.

Four days later they encoun-

هكذا من القليل



# Nova Scotia Treads Its Way Into a Gas Boom and Strained Ties With Ottawa

By Michael T. Kaufman  
New York Times Service

**HALIFAX, Nova Scotia** — This staid old town of a city, which once grew rich as the pursued and Calvinism, is raising her skirts and prancing these days as large offshore gas deposits promise to reverse the recent decades of poor-cons status within the Canadian union.

The prospect of restored fortunes is also placing new strains on the historically cool relations between the province and Ottawa, the seat of a nominally federated country.

Last week, the Mobil Corp. formally applied for government permission to begin building a 183-mile (295-kilometer) pipeline to carry gas from its large find off the so-called Scotian shelf. That is the first of what are believed to be many rich fields off Sable Island, a thin shoal off which for centuries ships have capsize and sunk.

"Last week we had 26 of the largest gas utilities in the United States up here," said Premier John M. Buchanan of Nova Scotia, who is bullish on gas, bullish on the province, bullish on foreign investment and does not care at all for the economic nationalism of the Canadian government.

Sitting in his office before a portrait of Queen Elizabeth II of England and Prince Philip, but with no photograph of Prime Minister Pierre Trudeau or any other Canadian in sight, Mr. Buchanan rattled off the figures.

"There are now three rigs out there drilling, and we will soon have two more," he said. "Each rig means between \$75,000 and \$100,000 a day into the Nova Scotian economy," or \$60,750 to \$81,000 in U.S. currency, he said. "It's already meant 1,500 new jobs." Jobs are especially important in a province that has experienced chronic unemployment.

"Even before any gas has been sold," Mr. Buchanan went on, "we already have more

economic activity, more energy-company offices than did either Aberdeen in Scotland or Stavanger in Norway at a comparable time." Both Aberdeen and Stavanger boomed after the discovery of North Sea oil.

The experiences of those European cities were mentioned many times recently at 200 engineers, social scientists, oil men and politicians met here for the second International Conference on Oil and the Environment.

## Social Impact

Ann G. Wilkie, head of the planning department of Nova Scotia Technical University, who helped organize the meeting, said the emphasis differed from that at the first conference she attended in Aberdeen. "Then the major stress was on how oil and gas finds affect the natural environment," she said. "Now there's more discussion of impact on social and economic conditions."

She said several delegates from both Aberdeen and Stavanger had described the boom-

bust pattern of sudden high employment and income in the initial construction phase followed by sharp cutbacks after several years once the capital-intensive business of piping gas gets under way.

"We'll certainly generate some jobs offshore, but... the key question is what will the government do with gas-generated revenues to build and encourage diversified industry," she said. "Personally, I fear the government here may be putting too many of its eggs in the gas basket."

Mr. Buchanan said he was aware of the danger of too much emphasis on one industry. "When I would like to see is comprehensive development involving coal, gas, fisheries and agriculture," he said. "We should build a gas-liquefaction plant and get into the petrochemical industry. We should be exporting energy to our natural market, the northeast United States."

Asked whether such reliance on the American market, and similar dependence on capital

investment from the United States, posed any major difficulties, the premier replied: "I have no problems with it at all. If a dozen foreign companies wanted to come in here tomorrow, I think that's fine as long as they leave the money. The idea of economic nationalism that is coming out of Ottawa is not our idea."

Mr. Buchanan's remarks touched directly on a national issue that goes beyond party politics and has bedeviled all national leaders seeking to forge unity.

Nature and commerce have carved out links and ties to the United States, Canada's only neighbor. At the same time, Canadian nationalism depends on the forging of bonds running east and west. The railroads, the highways and the radio and television networks are reflections of accumulated policies intended to diminish the pull of the south and bind the provinces and territories to each other and to Ottawa.

The strains of these conflicting pulls have

always been strong in Nova Scotia. For centuries the major ties, commercial and genealogical, ran not to Montreal or Toronto but to Boston and London. Now, when money is riding on the issue, the tugs of national allegiance and self-interest are at times wrenching.

On example lies in the Equalization Fund, a complex formula by which the Canadian government collects revenue from the richer provinces and passes it on to the poorer ones. Nova Scotia, with its 800,000 people, now receives \$500 million a year in these payments.

With the increase in the province's fortunes, however, Nova Scotia is likely to become a net donor rather than a net recipient of the fund, and there are some writers and journalists here who believe the transition will only augment feelings of regional alienation. They cite the example of Alberta, where prosperity has brought the rise of a still minor but increasingly strident political group calling for more autonomy and even separatism.

## Sandinista Foes Grow, Senior U.S. Aide Says

By Don Oberdorfer  
Washington Post Service

**WASHINGTON** — The Reagan administration believes that the level of opposition to Nicaragua's Sandinista government has become substantial and is continuing to grow, according to a senior State Department official.

The official, who met with several Washington reporters this week on condition that he not be quoted by name, called the growth of anti-Sandinista movements part of a new situation developing in Central America.

Although the official was not predicting that the Nicaraguan government will be overthrown, he said, he added that the level of opposition may not be very different from that in El Salvador, where a civil war has raged for several years.

### CIA Aid Reported

So far, only a few incidents of armed conflict have been reported in Nicaragua, several of them near the Honduran-Nicaraguan border, where anti-Sandinista forces are reportedly encamped. Some forces there are reported to be receiving secret aid from the Central Intelligence Agency under a \$19-million program approved in November by President Reagan.

Assistant Secretary of State Thomas O. Enders, the senior State Department official monitoring events in Central America, charged in a speech last week that the Nicaraguan state is "the preserve of a small, Cuban-advised elite of Marxist-Leninists, disposing of growing military power and hostile to all forms of social life but those they dominate."

Mr. Enders, who addressed the Commonwealth Club in San Francisco, also said that neither the United States nor Nicaragua's neighbors challenge the fact that "it is, in essence, up to Nicaragua to decide what kind of government it has."

However, the senior State Department official, speaking to reporters, said there is a belief among its neighbors that Nicaragua

as presently constituted, may be incompatible with the rest of Central America. This basic question will have to be faced in the future, he said.

The Reagan administration has often charged that the Salvadoran insurgents are being directed and aided from headquarters in Nicaragua. The Nicaraguan government has repeatedly denied the allegations.

Mr. Enders reported in his speech that the administration has offered to help the Sandinistas locate the Salvadoran guerrilla headquarters, which Mr. Enders said had been located recently in a suburb of Managua. "Nicaragua has yet to respond," he added.

A Nicaraguan Embassy official said that the United States proposed on July 2 to provide "technical" assistance to Nicaragua in locating the Salvadoran headquarters. The official said that Nicaragua had stressed on several occasions that it is prepared to discuss all U.S. points, including allegations of assistance to the Salvadoran insurgents, in the high-level dialogue that Nicaragua is seeking.

Last spring, the State Department announced the willingness of the United States to enter into such high-level talks, but the administration cooled to the idea within a few weeks. Verbal and written messages have passed back and forth at the ambassadorial level, but no high-level discussion is in sight.

■ **Cuba Warns U.S.**  
United Press International reported from Mexico City that Cuba's Communist Party on Thursday warned the United States not to send combat troops to Central America.

Cuba's Prensa Latina news service, monitored in Mexico City, quoted the Communist Party newspaper Granma as saying in a front-page editorial that "unemployment, poverty, inequality, injustice, land ownership, transnational corporations' merciless exploitation" are responsible for the guerrilla wars in the region.

## U.S. Tax Bill to Ease Official Use of Returns

By Ronald J. Ostrow  
Los Angeles Times Service

**WASHINGTON** — Federal law enforcers soon will regain some major tax weapons lost in the aftermath of Watergate as use against drug traffickers, organized crime figures and fugitives.

The 1982 tax bill, now awaiting President Reagan's signature, will make it easier for federal agents to use information from tax returns to investigate and prosecute lawbreakers.

The same bill also creates penalties for promoters of "abusive tax shelters" and significantly stiffens civil and criminal penalties for people who understate income, commit fraud, submit frivolous returns or evade paying taxes.

Because of the attention focused on such provisions as the withholding on interest and dividend income, the strengthening of the law-enforcement measures has gone largely unnoticed.

"It happened as such a footnote

that not a lot of people, even around here, know that changes we have been seeking for three years are becoming law," said Rudolph W. Giuliani, the associate attorney general.

During the Ford administration, Congress passed a Tax Reform Act that required federal investigators to convince judges that they had reason to believe a suspect's tax return would reveal evidence of a crime before they could obtain information from the return.

"You also had to demonstrate that you had exhausted other ways of obtaining the evidence or that the tax return information was clearly the best evidence," Mr. Giuliani said in an interview. He added that the Justice Department unsuccessfully opposed the bill as an "extreme overreaction to Watergate."

Under the changes in 1982, investigators will no longer have to work through an assistant attorney general in Washington to obtain permission to see returns. The number of Department of Justice officials who can seek such permission will include Mr. Giuliani, any of the 94 U.S. attorneys around the nation, any special prosecutor and any attorney in charge of an organized federal crime strike force.

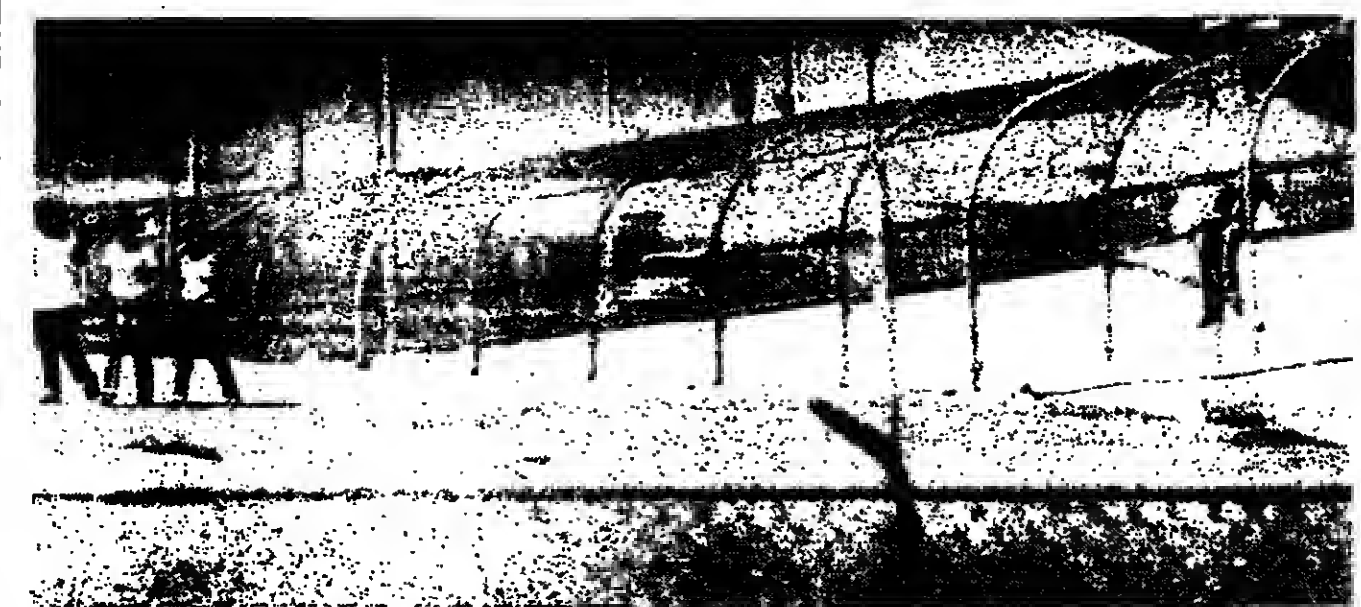
Magistrates as well as federal judges will be empowered to grant the authority.

The standard under which the judicial officer authorizes disclosure of tax returns has also been eased significantly. The government must demonstrate that there is reasonable cause to believe that the information "is or may be relevant" to the commission of a criminal act.

The Department of Justice sought unsuccessfully to include in the 1982 bill the power to turn over information on tax returns — with judicial permission — to state or local law-enforcement authorities.

Among the new or toughened penalties for tax violations included in the 1982 bill are:

- A \$1,000 assessment or 10 percent of the gross income derived from promoting an abusive tax shelter, whichever is greater.
- A \$500 penalty for any individual who files a frivolous tax return. Until now, persons who filed so-called protest returns could be penalized only if they also underpaid their tax.
- Maximum fines of \$500,000 for corporations and \$100,000 for individuals who willfully try to evade taxes.



**LEAKY BORDER** — A man, right, slips through a fence along a Rio Grande bridge connecting El Paso, Texas, with Ciudad Juarez, Mexico. The man was identified by an Associated Press reporter as a Mexican entering the United States illegally. Price increases and shortages of necessities in Mexico, combined with a recent steep decline in the value of the peso, have in past weeks driven up the number of undocumented Mexicans seized by the U.S. Border Patrol.

## Missing Financier's Case Revived in Argentina

By Edward Schumacher  
New York Times Service

**BUENOS AIRES** — The release from prison of relatives and employees of an Argentine financier missing since 1976 has aroused new interest in a case that has been an issue among rights advocates here and U.S. law-enforcement officials.

The financier, David Graiver, who disappeared in a plane crash in Mexico after the collapse of a bank that he was involved with in New York, and other members of his family were vilified here for years.

They were accused of financing the leftist Montoneros guerrillas, who terrorized the country in the mid-1970s. The campaign against them took on anti-Jewish overtones.

Jacobo Timerman, the exiled newspaper publisher, was arrested and tortured five years ago partly for his involvement with Mr. Graiver, who backed Mr. Timerman's paper.

wife, Lydia, and brother, Isidoro — but he overturned their convictions by a military court. He ordered them freed until a retrial by a civilian court.

The affair takes on added intrigue because Mr. Graiver is wanted in New York City in connection with financial manipulations that led to the collapse in 1976 of the American Bank and Trust Co. At the time, it was the fourth largest bank failure in U.S. history.

The Argentine military has said that Mr. Graiver had an option to buy the bank, partly with \$17 million allegedly given him by the Montoneros to invest. The Argentine authorities have said that he bought other banks in Belgium and Switzerland that also collapsed.

Mr. Graiver was an ambitious young financier with wide political connections. In 1970, at the age of 30, he served as an assistant secretary of welfare for the military

government that was in power at the time.

Among his many business associates were generals and politicians of varying political views, among them Alejandro Orfila, now the secretary-general of the Organization of American States, and José Gelbard, a former economy minister.

### Died in Exile in U.S.

Mr. Gelbard, the first Jew to hold a Cabinet post in Argentina, was later accused of ties to the Montoneros. He fled the country and died in exile in Washington in 1979.

Mr. Timerman, arrested five weeks after the Graivers, became an international cause célèbre. He was put under house arrest and exiled two years later.

Mr. Graiver disappeared in August, 1976, when his chartered jet crashed into the side of a mountain during its final approach to Acapulco.

No identifiable remains were

found and the cockpit recorder the time.

In New York, District Attorney Robert M. Morgenthau of Manhattan still has a fugitive warrant out for Mr. Graiver's arrest.

Seven months after the Mexican plane crash, the Argentine military arrested the seven Graiver relatives and employees, and accused them of complicity in a plot to help the Montoneros.

According to sources close to the family, all those arrested were tortured with electric shocks and beatings in their first weeks of captivity. One employee died of a heart attack while in police custody.

The Argentine press was full of lurid reports at the time on what were said to be the immoral lives, illegal business practices and Marxist designs of the Graivers.

There was a strong element of anti-Semitism. Some newspapers tacked the words "a Jew" after their names. Graiver family trees were the grist for magazine articles.

### Now, the Argentine press has

been quiet about their release. But their captor, retired Brig. Gen. Ramon Camps, reacted. He said the Graivers' "hands are stained with the blood of good Argentines," and "the link of Graiver, Timerman and Gelbard with the subversion cannot be questioned."

Some of the questions about the case may be answered in pending suits in the United States, Belgium, Argentina and other countries. The suits involve more than \$100 million in assets that have been missing, seized or otherwise contested.

## Pilot in U.S. Crash Didn't Receive Storm Data

By Douglas B. Feaver  
Washington Post Service

**WASHINGTON** — The radar of the National Weather Service indicated the presence of a moderate thunderstorm cell over the end of the runway July 9 as Pan American Flight 759 lifted off from New Orleans, but that information never reached the cockpit crew of the flight that crashed a minute later, killing 154 persons.

That thunderstorm and others around it are widely believed to have spawned a weather phenomenon that doomed the airplane. The existence of the radar picture and the absence of any mention about it in information made available to pilots at the New Orleans airport were among the facts released Thursday by the National Transportation Safety Board in its investigation of the crash.

The board also released a transcript of the cockpit voice recording. It is clear that Capt. Kenneth L. McCullers and First Officer Donald A. Pierce, who was flying

the plane, recognized their plight several seconds before the crash. "On back, you're sinking, Don," Capt. McCullers told Mr. Pierce.

Thirteen seconds later, an automatic warning device sounded and a computerized voice commanded, "Pull up, pull up."

The Boeing 727-235 hit a tree 53 feet (16 meters) above ground about half a mile (less than a kilometer) from the end of the runway, then flew for another four seconds before crashing into a residential neighborhood in suburban Kenner, La. Eight of the persons killed were on the ground.

The thunderstorms in New Orleans are suspected of having created wind shears, a condition of sharply alternating bands of wind. If a plane passes suddenly from a headwind to a tailwind at low altitude, it loses climbing ability and may not be able to recover.

But stormy weather appeared to be more a topic of conversation than a concern with Capt. McCullers and Mr. Pierce as they

prepared to take off for Las Vegas. When a wind-shear alert was broadcast by the tower, the two men made no comment. And when shifting winds caused another jetliner to request takeoff from a perpendicular runway, Capt. McCullers commented, "Now we might have to turn around and come back."

If the crew members had a worry, it appears to have been about the weight of the aircraft. The fully loaded plane weighed 170,100 pounds (77,320 kilograms), just 1,100 pounds below the legal limit for that airplane under those conditions.

"Any more than one knot of tailwind," Mr. Pierce said at one point, "and we wouldn't be legal."

### Air Systems Turned Off

Capt. McCullers ordered the air conditioning and cabin pressurization systems to be turned off during takeoff so as not to divert power from the three jet engines.

Several wind-shear alerts were heard in the cockpit, including one five minutes before takeoff: "We have, ah, low-level wind-shear alerts all quadrants.... We're right in the middle of everything."

Twenty seconds later, Capt. McCullers advised Mr. Pierce, "Let your air speed build up on takeoff," referring to a technique used to give a plane extra thrust.

The tower's wind-shear alert, however, did not contain specific information about the speed and direction of the shears, as is specified in the air traffic control manual.

Information unavailable at the airport, however, was being recorded by Weather Service radar at nearby Slidell, La. At the time of takeoff, according to the board's report, radar was showing a "Level 2 intensity radar echo" at the end of the runway, indicating a moderate thunderstorm cell.

Level 2 storms do not require Weather Service alerts, according to a service source. However, pilots generally seek to avoid flying into any storm cell.

About the time the plane crashed, the Houston regional air traffic center called the New Orleans tower and advised that "From here it looks nasty."

The New Orleans controller responded, "We're looking at something in the tower here. We don't quite know what it is at this point."

"What's it look like, a tornado?" Houston asked.

It was black smoke rising off the end of Flight 759's runway.

## Jan de Rosen, 91, Religious Muralist, Mosaicist, Dies

Washington Post Service

**WASHINGTON** — Jan Henryk de Rosen, 91, a Polish-born painter of religious murals, died Sunday of cancer.

Mr. de Rosen did paintings in the Washington Cathedral and an enormous mosaic in the National Shrine of the Immaculate Conception. He also created what is believed to be the largest mosaic in the world, 14,000 square feet (1,300 square meters), which covers the dome of the St. Louis Cathedral in Saint Louis.

Mr. de Rosen's first major work, the murals to the Armenian Cathedral in Lwow, Poland, was completed in 1929. He later was commissioned by Pope Pius XI to paint four murals in the pope's private chapel at his summer palace in Castel Gandolfo, Italy.

### Jack Rutherford

**TUCSON, Ariz. (AP)** — Jack Rutherford, 89, a silent movie actor who played Buffalo Bill in the original movie of the same name, died Saturday. Mr. Rutherford also played Buffalo Bill in the stage production of "Annie Get Your Gun," with Mary Martin.

## Canada Premiers Assail Foreign-Capital Curbs

New York Times Service

**OTTAWA** — The premiers of Canada's 10 provinces submerged their differences this week to denounce national economic policies that call for the review and limitation of foreign investments.

The tone of the annual provincial leaders conference taking place in Halifax, Nova Scotia, was set by a document issued there by the provincial government of Alberta declaring that an "unnecessary crisis of confidence permeates the Canadian economy and that the federal government is to blame."

It said that the worldwide recession has had an impact, but that the government of Prime Minister Pierre Elliott Trudeau had a greater responsibility. Specifically, it said "punishing" high interest rates and business taxes and restrictions on foreign investment and energy policies were blemishing prospects for economic recovery.

The booklet, which bore the imprint of Edgar Peter Lougheed, Alberta's politically ambitious premier, called for the suspension for two years of the Foreign Investment Review Agency. The agency decides whether the foreign direction of companies operating here is in Canada's best interest. Critics of the legislation say that it has intimidated foreigners from committing capital here, thus costing jobs.

### 'Insidious Impediment'

A number of other premiers at the Halifax meeting also criticized the foreign investment policies. Premier John Buchanan of Nova Scotia, the host for the conference, called the act "an insidious impediment to investment."

William R. Bennett, premier of British Columbia, said it was "hogwash" to say, as the government does, that the act is needed to prevent the foreign takeover of Canadian industry since laws already exist to control the conduct of foreign companies. Premier René Lévesque of Quebec said that foreign-owned companies in his province have been better corporate citizens than have Canadian companies.

The pronouncements were the latest in a series of skirmishes placing the premiers against the gov-

ernment of Prime Minister Trudeau, who has vacillated between cooperation and confrontation with the provincial leaders.

At the moment, the paramount issue for Mr. Trudeau is the rallying of support for his so-called five and six program, which seeks to have wage increases in government and private industry and business limited to 5 percent this year and 6 percent in 1983. A number of politicians in Halifax and in the capital suggested this week that they might consider trading support for the program if Mr. Trudeau were to back off from his position on foreign investments and gradual "Canadianization" of the energy companies.

Within the last month, after Parliament bound federal employees within the terms of the wage formula, news conferences were held almost daily in Ottawa to announce compliance by such major employers as telephone and transport companies. As described by Mr. Trudeau's aides the program was fully voluntary, but at the same time the participating companies were clearly the ones most dependent on government grants or vulnerable to pressure within this economy, where private and public sectors are more intertwined than in the United States.

Parliamentary considerations underlie much of the criticism of Mr. Trudeau, who except for an eight-month hiatus has led Canada for 16 years. He is now at the nadir of his popularity. As unemployment and interest rates have risen, his support in the polls has dropped to a scant 30 percent. The inflation rate stands at 10.8 percent, the jobless rate is near 11 percent and the prime interest rate is now 16 percent.

— Michael T. Kaufman

## Quake Hits Peru, Ecuador

The Associated Press

**LIMA** — A strong earthquake shook the mountainous border area between Peru and Ecuador early Thursday, northeast of the Peruvian city of Tumbes, according to civil defense officials. There were no immediate reports of damage.

**BVLGARI**

ROMA 10 VIA DEI CONDOTTI  
NEW YORK HOTEL PIERRE  
GENÈVE 86 RUE DU RHÔNE  
MONTE CARLO AVENUE DES BEAUX-ARTS  
PARIS HOTEL PLAZA ATHÈNES



# Herald Tribune

Published With The New York Times and The Washington Post

## An Extremely Costly Pipeline

From THE WASHINGTON POST

Worse and worse. Now the Reagan administration has imposed sanctions against two French companies in retaliation for the shipment of the compressors for the Soviet gas pipeline. One of the companies, Dresser France, is the subsidiary of an American manufacturer. But the other, Creusot-Loire, is owned by the French government. Here the United States comes perilously close to imposing sanctions on the government itself, a genuinely reckless expedient.

The sanctions prohibit the export of all American products and technology to those two companies. It's a strange step for an administration that came to office strongly, and correctly, emphasizing the importance to the American economy of strong export performance. It has worked vigorously to beat down foreign governments' political barriers to trade. Now, to serve political purposes of its own, it is actually forbidding American sales to Europe.

The administration angrily argues that everyone seems to have lost sight of its original purpose in embargoing the pipeline equipment — to force the Soviet Union to lift martial law in Poland. Unfortunately for the Poles, the American government's divisive and inflammatory tactics in this embargo have created a gigantic diversion from the events in Poland. As you have probably noted, things are not going well there. Solidarity has been doing some underground or-

ganizing, and the Polish military government appears to be preparing a renewed crackdown. It could hardly pick a more opportune moment than one in which the Western governments are entangled in an increasingly ugly quarrel among themselves.

As for the export sanctions, they have immensely damaging implications. They help all those protectionists abroad who are trying to keep American competition out of their countries. Whenever an American exporter moves into a sensitive market, and whenever an American bidder gets close to a valuable contract, the local producers will begin to remind their governments of this episode. Watch out for the Americans, the argument will go, they talk free markets, but the government won't hesitate to use the American companies to try to whip you into line with their foreign policy.

Ask yourself this question: What would the American reaction be if a French government tried to use economic pressure — through the French companies operating here and their American partners — to threaten the United States on a point of foreign policy? That's an easy one to answer. Why should any American, including Mr. Reagan, be startled when these American tactics meet the same vehement resentment not only in France but throughout Europe? With this embargo, Mr. Reagan is simultaneously botching his policies in trade and in Poland.

## Guerrilla War on Immigration

From THE NEW YORK TIMES

Any doubt about how deeply the subject of immigration cuts across party and philosophical lines should be erased by a small example of guerrilla warfare in Washington. The immediate flap is finished, but the larger issue remains in suspense, waiting for the House to settle in September.

The flap arose out of a startling New York Times interview Tuesday with Anneline Anderson, associate director of the Office of Management and Budget. The administration, she said, vehemently opposes part of the Simpson-Mazzoli immigration bill passed by the Senate Aug. 17.

The section in question requires development of an identification system to screen out illegal aliens looking for work in this country. Any such requirement, she said, is "typical of totalitarian societies." Government would be tempted to turn it to other purposes, like enforcing drug registration and quelling riots.

There's nothing startling about such views. We, and others, believe such a system can be controlled, but more than one civil libertarian — or just plain libertarian — fears a tumble down the slippery slope. What was arresting about Mrs. Anderson's hostility was that it so baldly contradicted official administration views.

In May, for instance, Attorney General Smith said the Reagan administration was "open to the alternative" of a national identity card. Just 10 days ago, when the Senate passed the Simpson-Mazzoli bill, he said, "The administration applauds the historic Senate action and urges the House to act

swiftly, in the same spirit of reason and reform."

The administration on Thursday issued a welcome statement clearly dissociating itself from Mrs. Anderson's views. Its position on verification, however, remains complex, reflecting sharp differences not only within the administration but in society.

Any sensible immigration reform requires a verification system. The best way to deter illegal immigrants is to make it harder for them to get the jobs that lure them. The best way to do that, in turn, is to make it illegal for employers to hire them. Employers can do that only if they know who is illegal. Verification, however, is opposed by such divergent bodies as the U.S. Chamber of Commerce, which fears red tape for employers, and the Mexican-American Legal Defense Fund, which fears discrimination against Hispanics.

So it's hardly surprising that the Simpson-Mazzoli bill ended up bland on the subject. It does not require a verification system now but merely directs the president to install one within three years. The administration is even more timid. It denies, in advance, that anything more than present identification procedures will ever be needed.

There's no reason for the House to be more timid than the Senate. Without effective verification there can be no effective enforcement of the borders. Without effective enforcement, there can be no immigration reform worthy of the name. The choice for the House is clear: legislate or pretend.

## Other Editorial Opinion

### Inarticulate Jocks

Is there a more praiseworthy sight in professional sports than the athlete being interviewed on national television who cannot express a single coherent thought? Few athletes are that dumb, if course, but the image of the inarticulate jock is one seen all too often.

Fortunately, some schools are determined to do something about the tendency. The University of San Francisco, proud claimant to two national championships, announced in July it was dropping its men's basketball program. The reason? To save the school's reputation as an institution of higher learning.

And at the University of Miami, football players have been told that they must achieve academically as well as athletically. More than that, UM has set stringent new guidelines for its athletes.

UM has not gone to excess, mind; it doesn't expect its athletes to be Rhodes scholars. The new criteria simply place greater emphasis on character and academics. Coaches don't plan to sacrifice their sports programs, just to be more faithful to the school's first purpose: education.

— The Miami Herald.

### Middle East Coexistence

Looking far ahead of the fragile truce, the world must work out the Palestine problem in a lasting and long-range manner. Any solution demands that a permanent home for the Palestinians should be found and they should be made to coexist with the Israelis.

— The Korea Herald.

### Erring French Crusade

By defying President Reagan's ban on the use of U.S. technology in the Soviet pipeline, Francois Mitterrand no doubt has in mind leading a new crusade for Europe. But unlike the one 38 years ago that freed France from totalitarian control, this one moves in the opposite direction.

An American president who allows himself to be backed down by Francois Mitterrand will pay a rather considerable cost. Mr. Mitterrand, using as his model the statist-Socialist principles that have turned East bloc economies to sawdust, has conducted a broad nationalization campaign, sweeping in some American-owned properties along with those owned by Frenchmen.

He sent his culture minister to the recent UNESCO gabfest in Mexico City to rail at capitalism and American "cultural imperialism" and now Mr. Mitterrand has used French law to "requisition" compressors made by Dresser France, an American-owned company using American technology, to insure that they will be shipped to the Russians on schedule.

Under U.S. law Dresser France can be prohibited from further trading with the U.S. This would hurt Dresser quite a bit and France not much, but it would serve notice that the U.S. government is serious about its sanctions. Mr. Reagan has no choice but to stick by his guns. As to Mr. Mitterrand, he might do well to give more thought to where his crusade is leading him.

— The Wall Street Journal.



## Soviet Union Gives Up on Reagan

By Flora Lewis

MOSCOW — The message in Moscow, delivered strong and clear, is that the Soviet Union has given up hope on getting anywhere with the Reagan administration.

American diplomats are not convinced that the Russians have really written off any prospect of useful talks with Washington before there is a new president. Reagan has been sending word to the Soviet Union privately, in one case through a Pepsi-Cola executive, Don Kendall, that he wants "businesslike" relations with them.

It is not clear what that means. In any case, the signal given visiting Americans these days is that President Reagan has cut off the chance of dialogue. There seems to be some difference of view within the Soviet establishment on what consequences to draw from this.

One tendency is to put new emphasis on actively improving relations with Western Europe, leaving the United States to go to hell in what this view predicts will be increasing isolation and diminishing power.

Others argue that Soviet-American relations remain central to the Kremlin's interests, and say that Moscow will wait out Reagan's tenure and hope his successor will change things. Otherwise, dire trouble is predicted for the world.

### 'Multis' and 'Unis'

In terms of the role assigned Western Europe, the debate appears almost a mirror image of the Washington argument between "multilateralists" and "unilateralists." United States "multis" put key emphasis on allied unity, urging accommodation to the Europeans, while the "unis" disregard alliance strains.

Either way, there does not seem to be any more Soviet than there is American interest in Chancellor Helmut Schmidt's idea of West Germany as "interpreter" between the superpowers.

It's hard not to be amused bearing Soviet officials denounce the idea of comparing the two just as angrily and fervently as Americans reject being equated with the Russians. The assertion here is that the Soviet Union has loyally and consistently stood by détente, while the United States has broken the understanding with threats of Cold War and maybe worse.

Since everything that has gone wrong with the relations is America's fault, the Russians say, it is up to the United States to change again, not Moscow.

If there is any awareness that détente broke down precisely because the United States expected some change toward moderate Soviet behavior and did not find it, that does not show here. Instead, the line is that Soviet policy has been steady since the 1972 agreement with President Nixon, while the United States switched without any provocation from the Kremlin.

The one glimmer of hope allowed to shine through the deep gloom about prospects here is that the Russians clearly do still want to talk to Americans. Warnings that had relations and descent to dangerous confrontation could become irretrievable imply that this has not happened yet.

A recurrent theme in Soviet complaints is American "unpredictability." This is seen not only as a terrible burden for Moscow, requiring it to reassess relations each time the United States elects a new president, but as a deliberate American policy to make life harder for the Russians.

The Soviet defense minister, Marshal Dmitri Ustinov, said recently that the United States "arrogant" policy based on the unpredictability of Washington's actions naturally tends to destabilize the situation.

The big question of what can be predicted about Soviet policy when the impending change of leadership comes is taboo. It is considered rude to mention it, and one is expected to

assume that a new leader won't make any difference.

Curiously, that also seems to be the attitude of Soviet citizens. As far as careful observers in Moscow can tell, the man in the street does not expect any important changes and is waiting to find out about the succession with neither hope nor fear.

That is surprising. There used to be such fear of change at the top in this deeply conservative country that Stalin's death caused near panic among many, despite his bloody tyranny. A Russian told me, in fact, that people were getting impatient with the long transition to a post-Brezhnev era and

felt things had been allowed to drift too long.

The Russians are facing their uncertain future with very little sense of what they can expect from the United States. This does not make them more accommodating. It is in America's interest to keep talking and explaining at every possible level.

Former President Richard Nixon's recent suggestion of a summit conference every year, whether or not there is a change of agreement, would help. It certainly is predictable that both the United States and the Soviet Union will continue to live in the same world and have to get along somehow. Reagan should answer the message from Moscow himself.

— The New York Times.

## Socialists in Italy See A Swing to Their Flag

By Joseph La Palombara

SOUTHWEST HARBOR, Maine — Italy's new Cabinet, Giovanni Spadolini's second, is considered by the Socialist Party as a step toward a Socialist government. The party is impatient to prove that man, Bettino Craxi, its secretary-general, Italy will finally get the coherent, stable leadership it so obviously lacks.

This is a highly unlikely outcome, especially if Mr. Craxi's hard-line opposition to the Communist Party and his strategy of keeping it out of the government remain unchanged.

Why would the Socialists believe they can succeed where so many prime ministers have failed? How can a Socialist Party one-third the size of the strongest governing Communist Party in the world think it can govern without that party's collaboration?

To begin with, the Socialists, with 9.8 percent of the vote in the 1979 national election and even greater successes in local and regional elections since then, believe they are on an electoral upswing while the Communists and the Christian Democrats are stagnating or in decline. A Craxi government may not be written in the stars, but it can scarcely be prevented if a parliamentary election were to produce additional gains.

### Transformed

The party has been strikingly transformed under Mr. Craxi. Once hopelessly faction-ridden, it is now a highly disciplined organization. An older generation of quarrelsome leaders has been replaced by able younger ones, many of them fiercely loyal to Mr. Craxi.

He has either banished or co-opted former opponents and has changed the party's bylaws and built himself a near-impenetrable position of control. Success snowballs, so the Craxi majority in the party is growing. In short, if he becomes prime minister he will really control his own party, and that in itself is no mean achievement in Italy.

A second reason for Socialist self-confidence lies in ideological transformation. Italian Socialists should not be confused with those of France and Greece. They do not threaten the status quo.

It is not merely that under Mr. Craxi the party has removed the hammer and sickle from its flag and replaced it with a red carnation; at their party congress last spring, the Socialists renounced much of what they have held dear since the party's founding in 1892.

The party redefined itself as non-doctrinaire, reasonable, pragmatic, reformist. There is little in its platform that Karl Marx would recognize or endorse. Having boldly abandoned much of its own left-wing past, the party challenges the Communists to do the same if they really hope to gain wider support in Italy.

Nowhere is this new posture more apparent than on the issue of nationalization. The Socialists not only oppose it, they have sought to return some state-owned industries to the private sector.

The leading architect of this policy is Gianni De Michelis, the young, articulate Minister for State Holdings. He is simply bored by Socialist clichés.

The basic issue, he says, is not public ownership of the instruments of production but, rather, governmental coordination of the necessarily competitive public and private sectors. He has said that within a year the French Socialists "will be seeing things as we do."

This pragmatism goes hand-in-hand with a campaign aimed at creating an image of a party that is a major generator of political morality, certain institutional reforms and "governability."

Skeptics reply that the party is no monument to political rectitude and that if governability is to mean more than mere Socialist control of the government, the Socialists must clarify exactly how they intend to deal with a Communist Party that in 1979 won 30.4 percent of the vote and a Christian Democratic Party that won 38.5 percent.

Neither the Communists nor Christian Democrats will readily collaborate in the fulfillment of Mr. Craxi's ambitions. The Communists in particular will use their unmatched organizational and mobilizing abilities and trade-union support to defeat a Socialist strategy that, if successful, might leave the Communists in the political wilderness.

Christian Democrats who oppose the Socialists will resurrect the idea of finding a formula to bring the Communist Party under the governmental umbrella. Mr. Craxi himself, faced with the realization that the Communists control the means of translating public policy into reality, may have second thoughts about his intransigence.

It is highly probable that Italy is entering one of the most difficult periods in its troubled postwar political history. Its complex political process will remain ill-understood by outsiders.

Those, such as the United States, who may be tempted to press for one party-alignment formula over another are best advised to practice self-restraint. As the Italians have told us all along, they are the best judges of how to orchestrate their own political destiny.

Joseph La Palombara, chairman of Yale University's political science department, was cultural attaché in the United States Embassy in Rome from September, 1980, to August, 1981. He wrote this article for The New York Times.

## LETTERS TO THE EDITOR

### Hungarian Trip

Regarding "Hungarian Nightmare" (HT, Aug. 12): This July 100 was a visitor to Hungary. In my 10 days in that country visiting Budapest, Eger, Hortobágy, Kecskemet, Balaton, and Tihany, I had no difficulties at all. I did not report to any police station or the U.S. Embassy. The only stamps in my passport are the Hungarian visa, the stamp from the railroad border guard on entering Hungary, and one when I left Hungary. The railroad border guards were courteous, serious and thorough.

NANCY ERDELYI, Dubai.

### Bravo Safire

Regarding "Deflating the Pipeline Arguments" (HT, Aug. 13): Thank God for William Safire! Our minds work exactly alike but he is so much more articulate. Let me just add that if the Europeans (especially French)

and Russians are not worried about the completion of the pipeline why do they keep complaining about the embargo?

FRANK J. DARK, West Germany.

### Chinese Newspeak

The Chinese Communists have changed their vocabulary of late. They no longer use the word, "liberation." For Hong Kong, they're talking about the eventual "reintegration;" for Taiwan, it is "peaceful reunification." Call it whatever you like: double-talk or newspeak.

Communism, as a form of government or a kind of society, can only be imposed by force. No country has ever become Communist (or Socialist) through voting at the polls. Communism is brought about by revolution, which is the overthrow of one class by another class through violent means. Then what is all this nonsense

about the "peaceful reunification" of Taiwan with the mainland? How naive can one be?

It was not enough to have abandoned some 30 million Vietnamese to Communist oppression; must the U.S. have a hand in the eventual enslavement of the 18 million freedom-loving people living in Taiwan? It is tragic and terrifying to contemplate that the next generation of "boat people" will be those Chinese who will not accept to be dominated by a repressive Communist regime.

JEAN PASQUALINI, Paris.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

## Israeli Objectives: Pullout From Beirut, Peace With Neighbors

In this article, Israel's foreign minister describes the Middle East future his government would like to see in the aftermath of the Lebanese conflict and spells out its position on how the Camp David peace process can be restored. He addresses issues that were discussed in a recent article in The Washington Post by President Hosni Mubarak of Egypt, who would be Israel's principal negotiating partner in new negotiations. The Mubarak article appeared Wednesday in the Herald Tribune.

By Yitzhak Shamir

JERUSALEM — In the first days of April, 1982, just a few weeks before Israel's total evacuation of the Sinai Peninsula, a representative of Egypt spoke before a conference of "nonaligned" nations at Kuwait. In his speech, Ambassador Abd al-Meguid said, among other things, that "for the first time in modern history, Israel is in the ebb and its forces are withdrawing, while an Arab country, which is Egypt, is regaining sovereignty over its own national soil."

Dr. Abd al-Meguid's statement was made at a time of rising tension over a number of Egyptian actions that Israel considered as contradictory to Egypt's undertakings in the peace treaty. The particular sentence quoted above provoked special ire because it conveyed the message that a weakened Israel had signed the peace treaty and could be weakened further by the other Arab states if they were to follow Egypt's example.

Fortunately, the matter was cleared up in frank and open discussion with the Egyptian leaders, who denied any negative intention in Dr. Abd al-Meguid's statement. On April 25, Israel evacuated its military bases in eastern Sinai, dismantled villages and townships and withdrew its forces right up to the international boundary. The government and people of Israel were united in the hope that for the sake of

peace, the sacrifice and risk would prove to be justified.

The concern that the Egyptian ambassador's statement caused in Israel was not due so much to the words themselves as to the echo it evoked of theories propounded since the early '60s by a school of thought that ended in Tunisia and in Egypt itself. According to this theory, since the Arab world had failed repeatedly in overcoming Israel militarily, it should change tactics and adopt a political approach toward achieving the same goal. In return for a piece of paper and some peaceful declaration, Israel would be pressed to withdraw to the indefensible armistice lines of 1949 and even beyond them, and to agree to the influx of a large number of Palestinian refugees.

These goals were to be addressed stage after stage, and their achievement was to be secured by a combination of international pressure and political maneuvering. At the end of the process, Israel would have been reduced to a vulnerable mini-entity. Its condition would signal the end of the Zionist dream. The coup de grace would be delivered by a Palestinian-Arab entity, that would absorb the Jewish community and "reunite" Palestine into an Arab state.

### A Treaty Between Equals

It is to the credit of the late President Anwar Sadat that he grasped the hand Israel had stretched out to its neighbors ever since its declaration of independence, and subsequently concluded with it a peace treaty as between equals.

Egypt recognized Israel's existence as a permanent entity along with the other states in the region, and it joined with the United States and Israel in devising a blueprint for a comprehensive settlement of the Arab-Israeli problem, implementing fully the provisions of the 1967 Security Council Resolution 242.

President Hosni Mubarak is equally committed to the same goal under the same program, and together Israel and Egypt have offered the Palestinian Arabs in Judea, Samaria and the Gaza District a role in determining their future in peace and dignity.

In spite of some dislocation caused by the succession of Arab wars, Israel in the past, the great majority of Palestinian Arabs continue to reside in Palestine proper, on both sides of the Jordan River.

The Kingdom of Jordan today was the East Bank of Palestine in the past. The majority of the population in the kingdom originate in the West Bank.

of Palestine, but they are nationals and permanent residents of Jordan. Jordanian and Palestinian leaders have declared many times that Jordan is Palestine and that Jordanians and Palestinians are one people.

The problem, therefore, is not one of granting self-determination to the Palestinian Arabs, because they have already exercised it. The fact of history is that they are not dealing with a homeless people that need a homeland of their own. The only political problem that is still in need of a solution is that of the 1.3 million Arab inhabitants of Judea, Samaria and the Gaza District. As for its relations with the Kingdom of Jordan, Israel is ready to conclude immediately a peace treaty with King Hussein.

Hence, to say that the "Palestine problem" is the root cause of the Arab-Israeli conflict is, at best, to betray ignorance of the facts and of history. In Arab parlance, the "Palestine problem" is code language for saying that the existence of Israel is the core issue which can be addressed, at the very minimum, by the establishment of a second Palestinian Arab state on the original territory of Palestine. This issue was the subject of long debates at Camp David.

### The Painful Camp David Compromise

The Camp David agreements did not fully satisfy any of the parties. They were a result of compromise, especially painful to Israel because of the tangible sacrifices and risks they entailed. The Egyptian delegation argued the case for self-determination for the Palestinian Arabs and the establishment of an Arab state in Judea, Samaria, (the West Bank) and Gaza. Israel rejected the idea and argued that an Arab state in those territories was totally unjustified and would constitute a mortal danger to it.

Finally, Israel's proposal for autonomy was adopted for a transition period of five years. This turned out to be the only workable and viable plan on which the three partners to the Camp David Accords were agreed.

In effect, the Camp David Accords constitute a detailed blueprint for the implementation of the two Security Council resolutions, not only with reference to the issues between Israel and each of its Arab neighbors, but also with regard to the Palestinian Arab population. These accords represent a first major breakthrough to peace, and on no account should they be undermined, repressed or belittled.

Operation "Peace for Galilee" should be seen and judged on the background of the above. It is ridiculous to suggest that Israel chose to invade a neighboring Arab state and thus sought to undermine the Camp David Accords, or that it coveted Arab land. The very opposite is the truth. Israel has every reason to pre-

serve and protect the Camp David accords until they are fully implemented.

Better still, the conduct of the Lebanese people, who welcomed Israel's army, and the free election of a president by the Lebanese Parliament bear clear testimony to the fact that Israel is not regarded as an invader or an enemy of Lebanon. The Lebanese people — Christian, Muslim and Druse — regarded Israel's action as an opportunity to free themselves of the nightmare of the PLO-terrorist and Syrian rape, massacre and devastation of the Lebanese people and land.

Israel's action against the PLO terrorists in Lebanon came after 14 years of provocation and attacks on Israel's population. The situation became intolerable when the PLO deployed Soviet long-range artillery and rockets that paralyzed the entire civilian population of northern Israel.

Neither our warnings nor our limited military actions, nor the efforts of Ambassador Philip Habib proved effective in putting a halt to the terrorist attacks. When we finally acted, we discovered it was none too soon. The PLO's population and generosity armed by the Soviet bloc, had established their own private state in Lebanon and amassed immense quantities of arms. As they were driven back by Israel's forces, they regrouped in densely populated areas and shelled the Israeli units from behind the shield of civilians.

### Soldiers Endangered to Save Civilians

Israel did everything in its power to prevent civilian casualties even at the price of exposing its soldiers to danger. Israel knows from bitter experience that even one innocent casualty is one too many. However, it was left with no alternative but to drive the terrorists out of Beirut and Lebanon and to dismantle the infrastructure they had created there against Israel and in the service of international terrorism. Israel sincerely hopes this objective will be realized shortly, following which the Syrian Army will withdraw from Lebanon. Israel will not stay one day longer than is necessary to secure this goal. There is no doubt that a free, independent Lebanon will choose to live in peace with Israel.

Israel is convinced that the expulsion of the PLO from Lebanon will have a positive effect on the Camp David process. The PLO and peace are mutually exclusive. Once the terrorist menace and threats to the Palestinian Arab population are removed, or at least significantly reduced, the chances of resuming the talks for establishing autonomy will be enhanced.

Now is the time to resume the autonomy negotiations and bring them to a quick and positive conclusion. Immediately thereafter, free and democratic elections will be held toward the establishment of an administrative council.

In spite of the differences, agreement was reached and the establishment of settlements was not ruled out in the final accords. Israel maintains it would not be useful to raise this issue again.

The right of Jews to reside in Judea, Samaria and Gaza and set up villages (settlements) and townships there was discussed at length in Camp David. Israel argued that it is inconceivable that Jews will be denied the right to live in Hebron, Beth-lehem and Beth-El, as Arabs continue to reside in Haifa and Jaffa.

In the United States and remains a major partner to the Camp David process. Without the constructive American contribution, the Camp David accords would have been difficult, if not impossible.

Israel and the United States share many values, interests and objectives. Our common goal in the Middle East can be condensed in one short phrase: peace with security for all in this region.

JOHN HAY WHITNEY (1904-1982), Chairman  
KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUERNER, Publisher  
Executive Editor: ROLAND PINSON  
Editor: RENE BONDY  
Deputy Editor: FRANCOIS DESMAISONS  
Associate Editor: RICHARD H. MORGAN

Associate Publisher: Director of Finance  
Director of Circulation  
Director of Advertising

PHILIP M. FOISSE  
WALTER WELLS  
ROBERT K. MCCABE  
SAMUEL A. GIBBY  
CARL GEWIRTZ

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France  
Telephone 747-1265, Telex 617718 (Herald), Cables Herald Paris.

Directeur de la publication: Walter M. Thayer  
General Manager, Asia: Alan Lecour, 24-26 Hennessy Rd. Hong Kong, Tel. 5-28 56 18, Telex 61170  
S.A. au capital de 1.200.000 F. R.C.S. Nanterre B 732021126. Circulation Parisienne No. 34231.  
U.S. subscription: \$250 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1982, International Herald Tribune. All rights reserved.



## ARTS / LEISURE

## Stanley William Hayter: The Master at 80

By Nancy Kenney

PARIS — Stanley William Hayter, probably the most influential engraver alive, is credited with transforming a craft into an art, inventing some of the key techniques for that transformation and introducing them to the likes of Picasso, Dalí, Chagall and a couple of thousand or so others over the past half-century.

The 80-year-old Englishman is the master. His associates Hayter refuses to call them students — come from all over the world to work in his stark, cluttered workshop in southern Paris.

"All we expect you to do," he said with a smile, "is something new. You see, before, and it's even now and then, you do it, it's worthwhile."

For Hayter, art is experimental, not commercial. He shut down his studio in New York because his colleagues there had, he felt, become more interested in making money than art.

"We avoid publicity at all costs," he said at his apartment-studio in the heart of Montparnasse, not far from the atelier. "You won't find this place listed in any telephone directory. The people we want are going to make a sufficient effort to come and find us."

"It's in Atelier 17, a workshop devoted since 1927 to experimentation in the techniques of engraving. Art experts consider it the seat of the revolution that brought printmaking into its own in the 20th century."

Hayter is also a painter, but his popular reputation rests on the atelier and the big names that have passed through it since it opened. A very limited roster of those who have worked at the Paris atelier or its New York site includes the 1940s leaders, Calder, Chagall, Dalí, Ernst, Giacometti, Kandinsky, Lipchitz, Masson, Miró, Picasso, Pollock, Rothko and Tanguy.

Acids, Ancient Presses

The atelier is still packed with students of all ages and nationalities. Beginners work alongside artists of stature in a rarefied world of copper plates, ancient presses, long wooden tables, acids and the sharply pointed engraving tools called burnins.



Hayter in his studio at home.

The gray-haired, slightly built Hayter brims with vitality as he strides through the workshop explaining techniques, or digs through a stack of canvases at his studio.

His unbridled contempt for the commercial exploitation of artists' work has sharpened with age. "This is not a skilled trade to be practiced for gain. You ought to try and do something much beyond that, or I think you're wasting your time."

Hayter was born in London in 1901, the descendant of a long line of artists, including George Hayter, Queen Victoria's official portrait painter. But his family, aware that most artists barely scratch out a living, encouraged him to do something else. He trained as a chemist and geologist at King's College, London, and worked in the Gulf from 1922 to 1925 with the Anglo-Iranian Oil Co. The next year, however, he went to Paris to pursue his first love — painting.

"I wanted to go somewhere where I didn't know a soul," he recalled. That soon changed. Within a month he had met two men who were to be among his "dearest friends" — the painter Balhaus and the architect Percy Goodman — and, soon after, Miró and Giacometti.

In those days, Hayter said, it was easy to meet other young artists in Paris. "You see, there were not thousands and thousands of artists. There were no quick boys in this game at that time because it was quite obvious nobody was going to make any money at all. But you could meet all the people."

"We hung around this neighborhood and we used certain cafes — the Select, the Dome, the Rotonde, Deux Magots, Flore and the Closerie (des Lilas). And if you went at the right time, you could meet all those chaps."

Paris "Crowded Up"

Though artists have been trickling out of Paris since the 1960s, Hayter said, the city is still so "crowded up" now that it's difficult for a newcomer to meet other artists. He avoids cafes and visits his friends at their studios.

In 1927, Hayter borrowed a press from the man who first taught him to use a burin, the Polish émigré Joseph Hecht, and Atelier 17 was launched.

"The idea was this: I felt that something ought to be done with this job [engraving], and I had a bit of scientific experience that made it easier to deal with the technical questions."

Gravure, in its narrowest sense, is the art produced by cutting lines in a copper plate with a burin. The burins in the plate are filled with ink, which is transferred under high pressure to the

printing surface of the press. Art experts acknowledge that, before the birth of Atelier 17, many of the potentials of this technique had been forgotten or remained undiscovered.

Hayter and his colleagues revived centuries-old methods and devised new ones, experimenting with acids, tools, textures and inks to produce startling effects. They showed that engraving could be an independent art form, capable of effects that pens and brushes could not achieve, rather than merely a method of reproducing a drawing.

When the workshop's first exhibition opened at the Galerie Pierre in 1934, the group already included such names as Miró, Tanguy and Giacometti. The atelier's name, invented for the show, was taken from the studio's address at the time, 17 Rue Campagne-Première. The name stuck, but the atelier has changed location more than 10 times.

In 1934, the poet Larice introduced Hayter to Picasso. Before long, Hayter was carving and sharpening burins for his newest colleague.

Picasso "had never had a sharp engraving tool in his hand," but he used the burin "in a remarkable way," Hayter recalled. "Picasso, you see, was an enormously capable person. And he would make use of anything or person that came to hand, which I think was splendid."

Picasso even tried to talk Hayter into moving Atelier 17 to a large abandoned factory where he was working on several projects, but the printmaker refused. "You'd be completely absorbed in his work, and we don't work for other artists," he explains now.

In 1940, Hayter joined the artistic exodus to New York, where he re-established Atelier 17 in the New School for Social Research. His work there with the exiled Surrealists and U.S. artists would permanently alter the direction of American printmaking.

"The thing that was lacking at that time was a place where artists could get together. The nearest thing to it was an Automat on Seventh Avenue used by bums."

His best-known technical breakthrough came during that decade, when he and his colleagues invented a process known as "simultaneous color." The technique, which requires just one

roll of the press over the plate to release several hues, eliminated hours of tedious applications and freed the artist in concentrate on creating the plate.

The New York studio's growing popularity led to its downfall. Hayter, who had moved back to Paris five years earlier, ordered it closed in 1955 because it had become too commercial.

"You know what continual pressure there is in America to succeed at all costs. Now, that doesn't make it easy to invent things. The pressure to exploit things, of course, is enormous."

Art Department Heads

Some of the artists drawn to Hayter's Paris workshop in the 1950s and '60s still work with him, including Hector Saenz of Argentina, who first arrived in 1951, and Indian-born Krishna Reddy, who heads the printmaking department at New York University and is spending this summer at the atelier. Reddy is one of more than 50 Atelier 17 alumni who head art departments at U.S. universities.

Hayter prefers a mix of nationalities at the workshop, and eagerness rather than experience is often the criterion for admission. Artists from Peru, Colombia, Sweden, the Soviet Union, Mexico and France may be found at the atelier on a typical day, as well as Americans and Japanese, the two largest groups.

He counts the Japanese among his most gifted students: "They've got 2,000 years of uninterrupted graphic development, and we haven't got anything like that. There's just no comparison in skills or sensitivity."

In his own studio, Hayter is at work on a striking series of engravings — fire, trees, Greek warriors — for an edition of love poems by the Surrealist Paul Eluard, and he plans to execute a set of prints for a collection of poems by Archibald MacLeish.

He devotes even more of his time to painting, usually brilliantly colored abstractions whose bold lines evoke a sensation of motion and rhythm. But the center of life for Hayter and his wife, Denise Morehead, is the atelier.

"At 80, he's still coming here, giving his life to the kids," said his longtime disciple Reddy. "It's easy to lose yourself in a commercial environment, when we come back to him, it's like coming back to ourselves."

## Bracing for a Tough Season

By Souren Melikian

PARIS — For the first time since the late 1950s, a French auctioneering group has mailed a fully illustrated catalog of a sale nearly two months ahead of time. On Oct. 5 and 6, the "Arctic library" and the hits and pieces picked up in an explorer's lifetime by Paul-Emile Victor will be sold by the Ader-Picard-Tajan team. For French auctioneers, who have been lagging behind the British in their sales strategy, this is quite an achievement. Nor is it an isolated effort.

There are other signs that Paris auctioneers are going out of their way as never before to promote

## THE ART MARKET

sales. A young auctioneer, Hervé Cheyette, who does not yet have his catalog ready for a Nov. 10 sale of period clocks, is sending out black-and-white prints pasted on typed sheets with captions. This is a cheap and most effective way of reaching clients.

Looking still further ahead, one of the leading auctioneers, Eric Buffetaud, is mailing photographs of some Modern Master paintings and drawings to be sold Nov. 25; again, the catalog will be dispatched two months before the sale. Its scope justifies the effort. Several key works of various 20th-century schools will be included — an Abstractist Cubist drawing done in 1911 by Duchamp; a major Tanguy, "Vagues et coquilles" (Waves and seashells) painted in 1929 (a turning point in Tanguy's work); and a Surrealist plaster by Giacometti (1930). This would seem to confirm the feeling expressed late in July by some Paris auctioneers — that the French market, far from shrinking, would have a good deal in offer in the coming season.

## Sticky Going Forward

Yet the auctioneers seem less optimistic than one might expect. The unusual display of activity so long before the opening of the season reflects their anxiety. Many fear that the going will be sticky in the next few months. The more lucid ones are vividly aware that the difficulties encountered by Sotheby's in bad news for everybody. The cost of operating auctions and getting works for sale, which is at the bottom of Sotheby's problems, is rising just as much in Paris as it is in London. Transportation, catalog production, mailing, salaries, and so on, are rising faster than profits. Sotheby's invested too much and too hastily in regional offices in order to attract more vendors, and Paris invested too much in rebuilding Drouot in order to attract buyers and sellers.

Unfortunately, the new building was ill-conceived. With three different sales levels, moving wares into position and then shoving them out turned out to be a daily headache. Escalators kept breaking down, the lighting is not the best, the microphones sputter. The whole place is proving inordinately expensive to maintain — to say nothing of the high interest rates that Paris auctioneers have to pay on the loan for the rebuilding. Tight management by the efficient

secretary-general, Patrice Ziegler, who runs the show with only 40 employees, has so far made it possible to keep Drouot in the black. But Ziegler gloomily concedes, should the turnover drop by only 10 percent from last season, "we would be in the red."

While it is heartening to know that goods keep coming in for sale, professionals wonder at what level prices will stabilize. Last season the trend was distinctly downward. It did not materialize as much as it might have because of the high reserves put on objects, which resulted in a heavy buy-in rate in London and a slightly lesser one in Paris. This year auctioneers will be forced in turn down unrealistic reserves simply because they cannot afford a high buy-in rate, which leaves no profit but does leave them all the costs of operating the sale. In Paris, estimates regarding forthcoming sales are giving French, particularly professionals, have been hit both by the recession and by special steps taken by the Socialist government. The medical profession has been especially affected. Since the late 1960s it has played an important role in the Paris market. Wealthy hospital managers and pharmacists were the kind of people who went in for landscapes by Maurice de Vlaminck and rancorous views by Raoul Dufy. Without such buyers, the lesser Renoirs, innumerable Chinese jades of the late period or no period at all, countless Japanese 19th-century ivories and such would not have found an easy outlet.

The key thing that should, however, keep prices up is the exemption of works of art from the French wealth tax. As the law stands, the tax collector assessing a Rothschild-type fortune may count the million-dollar townhouse and the \$100,000 nuclear-age kitchen equipment — but not the \$6-million Van Gogh. The trouble, of course, is that \$6-million Van Goghs are not often available for sale. Should one be available in France, the likelihood is that the deal would be carried out privately rather than at auction. Rich people prefer to keep a low profile these days.

Very rich people might settle for fairly expensive works of art that are not masterpieces, merely to avoid heavy taxation on cash or other liquidities. However, my personal hunch is that this won't happen on a significant scale. Very rich people either anticipated events or have long before taken what steps they thought necessary. For the time being, they are selling, if anything. This is true of some foreigners established in Paris for many years who are now clearing out. Others, who are French, are thinking of disposing

of some works of art because selling real estate, which has gone down precipitously, is unattractive. Art remains a convenient way of getting cash when needed urgently to pay the wealth tax.

All together, price stabilization at a lower level — say possibly 10 to 20 percent below the peak prices of 1980-81 — seems likely for the better objects in traditional categories. The more exotic categories, such as, ancient Middle Eastern art, will go down faster unless dealers make a concerted effort to prevent this — or simply refrain from sending anything for sale. From the buyer's viewpoint, prospects seem good. He should have less to pay and more to choose from — if he has the cash, that is.

## International Art Exhibitions

## SALZBURG

Festival - Exhibition 1982  
July 23 to September 19

FERNAND LEGER  
DRAWINGS - GOUACHES - OIL PAINTINGS

GALLERY SALIS  
A - 5020 Salzburg, Galkgasse 13  
Tel. 0043/6222-45 4 34 Austria  
Catalogue on request

## LONDON

ALWIN GALLERY  
9-10 Grafton Street,  
Bond Street, W.1.  
01-499 0314.

London's Leading  
Sculpture Gallery

Marlborough  
BARBARA HEPWORTH  
Sculpture  
1933-1975

Until 4 September  
6 Albemarle Street  
London W1  
01 629 5161  
Mon. - Fri. 10-5.30, Sat. 10-12.30

LEFEVRE GALLERY  
30 Bruton St., W.1.  
01 493 1572/3.

XXth CENTURY  
WORKS OF ART  
Monday-Friday 10-5, Sat. 10-1.

PARIS  
250  
ANTIQUAIRE DEALERS

from Tuesday to  
Saturday  
from 11 am to 7 pm  
2 PLACE DU  
PALAIS ROYAL  
PARIS  
Present exhibition:  
L'ART & L'OISEAU

## The Pastoral World Of Samuel Palmer

By Max Wykes-Joyce

LONDON — In 1827, at age 22, Samuel Palmer left his native London to live in the village of Shoreham in Kent. Around him gathered a group of young disciples of William Blake who called themselves "The Ancients." They walked in the woods and fields by moonlight and held readings and discussions of poetry, theology and philosophy. And here Palmer created a sequence of pastoral paintings, unequalled in the history of Western art. A major loan exhibition of 55 Palmer works from the Ashmolean Museum in Oxford, including some of the best from the Shoreham period, is at Hazlitt, Gooden & Fox in London.

Palmer was an intense young man, steeped in English poetry, and a prodigy (he sold his first landscape from a group show when he was 14). While still in his teens he met the artist John Linnell — later to be his father-in-law — and, through Linnell, the mystic poet-artist, Blake, the greatest influence on Palmer's life and work. Starting from the premise that

"the great landscape painter needs only as much truth as is necessary to make the ideal preferable," Palmer evolved a mixed-media technique using pen and ink, gouache, gum arabic and varnish, which gives a freshness to his paintings, as though they had grown in nature without the intervention of a human.

The Ashmolean's Palmer collection is particularly rich in work from the Shoreham period. It includes a typical work from this time, "Early Morning," inspired by four lines from John Lydgate (though Palmer attributed them to Chaucer): "I rose anon and thought I would goe / into the wode, to hear the birdes sing / when that misty vapor was agone / and clear and faire was the morning."

In 1835 Palmer moved back to London, and in 1837 he married Linnell's daughter Hannah and went off to Italy on a two-year working honeymoon. For the next 30 years he made worthy, sometimes beautiful, but orthodox watercolor landscapes.

Then, in the 1860s, inspiration came once more, this time from the pastoral poetry of Milton and Virgil. His chosen medium for this second flowering of his genius was the etching. These prints are well represented in the Ashmolean collection and therefore in the show at Hazlitt, Gooden & Fox. The finely illustrated catalog of the show is being sold in aid of the Friends of the Ashmolean.

One of the Old Masters who most inspired Palmer was Claude



Samuel Palmer's "Early Morning" (1825).

Lorrain (1600-1682), whose painting "Psyche Outside the Palace of Cupid" — better known as "The Enchanted Castle" — is featured at the National Gallery in a new series of exhibitions, "Acquisition in Focus." Bought by the gallery in 1981, the painting was commissioned in 1664 by Lorenzo Colonna, grand constable of Naples. In the 18th century it was brought to England, and moved through a se-

ries of private collections, in its progress inspiring writers and artists such as William Woodlett, Richard Wilson, Palmer, J.M.W. Turner, William Hazlitt and John Keats.

The National Gallery exhibition, with "The Enchanted Castle" as its centerpiece, has borrowed drawings and paintings to show alongside it to illustrate both its evolution in Claude's mind and its

influence on several generations of English poets and painters.

"Samuel Palmer, 1805-1881," Hazlitt, Gooden & Fox, 38 Bury Street, St. James's, London, to Sept. 17; National Gallery of Scotland, Edinburgh, Oct. 1 to Dec. 12; "The Enchanted Castle," National Gallery, Trafalgar Square, London, to Sept. 19.

## Miles Davis and Willie Nelson: Discs by Two Romantics

By Michael Zwerin

MILES Davis recorded a tune in the '70s called "Willie Nelson." Nelson praises Davis; they are rumored to be planning some sort of project together. What can the black trumpeter and maverick band leader have in common with a white country singer-songwriter?

They have the same manager, Mark Rothman, but that is only part of it. Their recent albums — Davis' "We Want Miles" and Nelson's "Always on My Mind" (both CBS) — reveal some deeper common denominators: understatement, grainy textures, restrained tension, staying power. They do not make disposable music; their records will be around for awhile. And both have a way of reinventing melodies.

Davis is not the first jazz musician to be influenced by country music. Charlie Parker was a fan of the country star Hank Williams, and when a friend asked why, he said: "Listen to the stories, man. These cats really know how to tell stories."

Both Davis and Nelson are storytellers. Davis' "Jean-Pierre" on

his new album is a children's story without words, and his free-funk version of Gertrude's "My Man's Gone Now" needs no lyrics to communicate the feeling of departed love. Nelson sings the same subject:

Once I had a love undying,  
Didn't keep it, wasn't tryin'.  
Life for me was just one party.  
And then another...  
And then one night she said,  
The party's over.

Nelson's "Always on My Mind" has been on the best-seller list for 23 weeks, his "Greatest Hits" for 48. He has a new album, "In the Jailhouse Now," with Webb Pierce, which also appears headed for the charts. Nelson and Davis both record often, two or three albums a year — perhaps too often; they tend to compete with themselves.

Each also depends on mixing standards with original material. "Always on My Mind" includes Procol Harum's "Whiter Shade of Pale" and Paul Simon's "Bridge Over Troubled Water," reminiscent of Nelson's remarkable version of Hoagy Carmichael's "Stardust" on an earlier album.

On a personal level, both Davis

and Nelson cultivate an outlaw image. They have become superstars by not following corporate rules.

Nelson began singing in Texas honky-tonks in the 1950s. He moved to Nashville in the '60s, but his songs were too hard-edged for the increasingly syrupy country music industry. They were recorded, and he appeared regularly on the Grand Ole Opry radio show, but he could not adapt to Nashville formulas. He moved to Austin, Texas, where he and his friend Waylon Jennings (who wrote "Ladies Love Outlaws") developed a strong local reputation for bringing country music back closer to its sources. Kris Kristofferson soon joined the Austin "outlaws," who wrote and sang about deeply felt subjects — survival, for example. This appealed to hillbillies and hipsters alike, and it caught on big in the '70s.

## Unexplored Territory

Since he first played with Charlie Parker in 1947, Davis has been changing, always moving into unexplored territory — from bebop to "The Birth of the Cool," to modality and abstraction, to rock in the early '70s, when he was out-

lawed by purist jazz fans, and now in funk.

Davis is famous for turning his back on the audience and for not playing encores. Nelson's stage manner can also be bizarre. He once canceled a show in Virginia, returning his \$57,000 advance, because he was insulted when the local sheriff threatened to have him arrested if he drank onstage. During a concert for the inmates of the Missouri State Penitentiary, Nelson wore his trademark bandana even though a bandana is a symbol of nonconformity in that prison. He also wore a "Nuke the Prisons" T-shirt. And of course he's the guy who forgot the words to "Star Spangled Banner" during the 1980 Democratic convention.

Listening to the Davis album, the trumpeter Chet Baker remarked: "That sure is romantic music." And it's true: Davis has in fact never played bebop, cool, fusion or funk. He has always been a flat-out romantic.

Nelson is, too. He finds his romance on the road, singing about it in what is probably his best-known song: "On the Road Again." ("Goin' places that I've

never been/ Seen' things that I may never see again.")

Like true romantics, both of them love to disappear — Nelson on the road to prisons, conventions, Las Vegas and obscure points in between, Davis just disappearing. With a Byronic wave of capes, they fade into the mists on some secret, heroic action, always to reappear again with a new story to tell.

## ANTIQUES

"EURO-IMPORT"  
The greatest antique center for French furniture.  
We have in stock  
800 French cupboards,  
tables, chairs  
and bedroom suits  
for special trade prices.

Every week new supply from France.  
EURO-IMPORT  
Geiselstrasse 5  
A-1010 WAIER (near Eudhoven)  
Tel.: 01-404-7041

## AUCTIONS SALES

## Sotheby's

London Zurich Geneva New York

Entries for the sales of

## Fine Jewels

European Silver, Gold Boxes and Objects of Vertu,  
Portrait Miniatures, Russian Works of Art and Fabergé,  
Clocks, Watches, Scientific Instruments and Fine Wines  
in Geneva, November 1982

Sotheby's experts Brigitta Blangy, Nicholas Rayner, Heinrich Spreit, Eleanor Thompson, Alidat Mahoudji and Tina Millar will be visiting the following cities to examine items for inclusion in the above sales:

## Fine Jewels

Amsterdam Friday 10th September  
Brussels Thursday 9th and Friday 10th September  
Copenhagen (Hotel King Frederik) Wednesday 15th September  
Frankfurt/M. Wednesday 8th September  
Hamburg Thursday 9th September  
Monte Carlo Monday 6th and Tuesday 7th September  
Munich Tuesday 7th September  
Paris Monday 13th to Thursday 16th September  
Stockholm Thursday 16th September  
Vienna Monday 6th September

## European Silver, Gold Boxes and Objects of Vertu, Russian Works of Art and Fabergé

Brussels Thursday 14th and Wednesday 15th September  
Copenhagen (Hotel King Frederik) Monday 30th August  
Frankfurt Thursday 2nd September  
Geneva Thursday 16th September  
Hamburg Friday 16th September  
Monte Carlo Thursday 9th and Friday 10th September  
Munich Monday 6th September  
Paris Tuesday 7th and Wednesday 8th September  
Stockholm Tuesday 31st and Wednesday 1st September  
Vienna Monday 13th September  
Zurich Friday 17th September

## Carpets

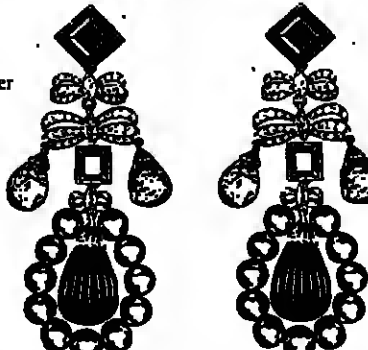
Paris Thursday 2nd and Friday 3rd September  
Brussels Monday 6th and Tuesday 7th September  
Frankfurt Thursday 9th September

If you wish to make an appointment to see one of our experts, please telephone or write to:

Sotheby's Mak van Waay B.V.  
1013 Roken, 1012 KZ Amsterdam  
Telephone: (020) 34 62 15/6  
Lange Voorhout 46, 2514 EG The Hague  
Telephone: (070) 65 20 54  
Sotheby's Parke Bernet Belgium  
32 rue de l'Abbaye, Brussels 1050  
Telephone: (02) 343 50 07  
Sotheby's Scandinavia A.B.  
Arensgatan 4, 111 47 Stockholm  
Telephone: (08) 1014789  
Thorndvi 38, 2950 Vaskback, Denmark

Sotheby's Parke Bernet GmbH  
Odeonplatz 16, D-8000 Munich 22  
Telephone: (089) 22 23 75/6  
Steinlestrasse 7, D-6000 Frankfurt/M. 70  
Telephone: (0611) 62 20 27  
Alsterkamp 43, D-2000 Hamburg 13  
Telephone: (040) 2701 202  
Sotheby's Parke Bernet (France) s.a.r.l.  
3 rue de Miromesnil, 75008 Paris  
Telephone: (01) 266 4060  
Sotheby's Russenaktionen  
Ges.m.b.H. Singenstrasse 16, 1010 Vienna, Telephone: (0222) 52 47 72/3

Sotheby's Parke Bernet  
Monac S.A.  
Spornig d'Hiver, Place du Casino, Moore Carlo  
Telephone: (093) 30 88 80  
Sotheby's Parke Bernet A.G.  
24 rue de la Cité  
CH-1204 Geneva  
Telephone: (022) 31 33 77  
20 Bleicherweg  
CH-8022 Zurich  
Telephone: (01) 20 200 11



A pair of emerald and diamond ear pendants, sold in Geneva in May 1982 for S.Fr. 297,000.

Geneva Tuesday 14th and Wednesday 15th September  
Hamburg Wednesday 8th September  
Munich Friday 10th September  
Vienna Monday 13th September  
Zurich Thursday 16th September

Watches and Scientific Instruments  
Brussels Tuesday 7th and Wednesday 8th September  
Paris Thursday 9th September



**Dow Jones Averages**

	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23
Industrial	10,000.00	9,950.00	9,900.00	9,850.00	9,800.00
Transportation	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Utilities	1,500.00	1,480.00	1,460.00	1,440.00	1,420.00
Commodities	1,000.00	980.00	960.00	940.00	920.00
Finance	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Foreign	1,000.00	980.00	960.00	940.00	920.00

**Standard & Poors Index**

	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23
Industrial	1,000.00	990.00	980.00	970.00	960.00
Transportation	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Utilities	1,500.00	1,480.00	1,460.00	1,440.00	1,420.00
Commodities	1,000.00	980.00	960.00	940.00	920.00
Finance	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Foreign	1,000.00	980.00	960.00	940.00	920.00

**Odd-Lot Trading in N.Y.**

	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23
Industrial	1,000.00	990.00	980.00	970.00	960.00
Transportation	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Utilities	1,500.00	1,480.00	1,460.00	1,440.00	1,420.00
Commodities	1,000.00	980.00	960.00	940.00	920.00
Finance	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Foreign	1,000.00	980.00	960.00	940.00	920.00

**Market Summary, Aug. 27**

	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23
Industrial	1,000.00	990.00	980.00	970.00	960.00
Transportation	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Utilities	1,500.00	1,480.00	1,460.00	1,440.00	1,420.00
Commodities	1,000.00	980.00	960.00	940.00	920.00
Finance	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Foreign	1,000.00	980.00	960.00	940.00	920.00

**NYSE Index**

	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23
Industrial	1,000.00	990.00	980.00	970.00	960.00
Transportation	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Utilities	1,500.00	1,480.00	1,460.00	1,440.00	1,420.00
Commodities	1,000.00	980.00	960.00	940.00	920.00
Finance	1,200.00	1,180.00	1,160.00	1,140.00	1,120.00
Foreign	1,000.00	980.00	960.00	940.00	920.00

**Friday's NYSE Closing Prices**

Tables include the nationwide prices up to the closing on Wall Street.

12 Month										12 Month										12 Month										12 Month									
High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E										
100	100	100				100	100	100				100	100	100				100	100	100				100	100	100													
101	101	101				101	101	101				101	101	101				101	101	101				101	101	101													
102	102	102				102	102	102				102	102	102				102	102	102				102	102	102													
103	103	103				103	103	103				103	103	103				103	103	103				103	103	103													
104	104	104				104	104	104				104	104	104				104	104	104				104	104	104													
105	105	105				105	105	105				105	105	105				105	105	105				105	105	105													
106	106	106				106	106	106				106	106	106				106	106	106				106	106	106													
107	107	107				107	107	107				107	107	107				107	107	107				107	107	107													
108	108	108				108	108	108				108	108	108				108	108	108				108	108	108													
109	109	109				109	109	109				109	109	109				109	109	109				109	109	109													
110	110	110				110	110	110				110	110	110				110	110	110				110	110	110													
111	111	111				111	111	111				111	111	111				111	111	111				111	111	111													
112	112	112				112	112	112				112	112	112				112	112	112				112	112	112													
113	113	113				113	113	113				113	113	113				113	113	113				113	113	113													
114	114	114				114	114	114				114	114	114				114	114	114				114	114	114													
115	115	115				115	115	115				115	115	115				115	115	115				115	115	115													
116	116	116				116	116	116				116	116	116				116	116	116				116	116	116													
117	117	117				117	117	117				117	117	117				117	117	117				117	117	117													
118	118	118				118	118	118				118	118	118				118	118	118				118	118	118													
119	119	119				119	119	119				119	119	119				119	119	119				119	119	119													
120	120	120				120	120	120				120	120	120				120	120	120				120	120	120													
121	121	121				121	121	121				121	121	121				121	121	121				121	121	121													
122	122	122				122	122	122				122	122	122				122	122	122				122	122	122													
123	123	123				123	123	123				123	123	123				123	123	123				123	123	123													
124	124	124				124	124	124				124	124	124				124	124	124				124	124	124													
125	125	125				125	125	125				125	125	125				125	125	125				125	125	125													
126	126	126				126	126	126				126	126	126				126	126	126				126	126	126													
127	127	127				127	127	127				127	127	127				127	127	127				127	127	127													
128	128	128				128	128	128				128	128	128				128	128	128				128	128	128													
129	129	129				129	129	129				129	129	129				129	129	129				129	129	129													
130	130	130				130	130	130				130	130	130				130	130	130				130	130	130													
131	131	131				131	131	131				131	131	131				131	131	131				131	131	131													
132	132	132				132	132	132				132	132	132				132	132	132				132	132	132													
133	133	133				133	133	133				133	133	133				133	133	133				133	133	133													
134	134	134				134	134	134				134	134	134				134	134	134				134	134	134													
135	135	135				135	135	135				135	135	135				135	135	135				135	135	135													
136	136	136				136	136	136				136	136	136				136	136	136				136	136	136													
137	137	137				137	137	137				137	137	137				137	137	137				137	137	137													
138	138	138				138	138	138				138	138	138				138	138	138				138	138	138													
139	139	139				139	139	139				139	139	139				139	139	139				139	139	139													
140	140	140				140	140	140				140	140	140				140	140	140				140	140	140													
141	141	141				141	141	141				141	141	141				141	141	141				141	141	141													
142	142	142				142	142	142				142	142	142				142	142	142				142	142	142													
143	143	143				143	143	143				143	143	143				143	143	143				143	143	143													
144	144	144				144	144	144				144	144	144				144	144	144				144	144	144													
145	145	145				145	145	145				145	145	145				145	145	145				145	145	145													
146	146	146				146	146	146				146	146	146				146	146	146				146	146	146													
147	147	147				147	147	147				147	147	147				147	147	147				147	147	147													
148	148	148				148	148	148				148	148	148				148	148	148				148	148	148													
149	149	149				149	149	149				149	149	149				149	149	149				149	149	149													
150	150	150				150	150	150				150	150	150				150	150	150				150	150	150													
151	151	151				151	151	151				151	151	151				151	151	151				151	151	151													
152	152	152				152	152	152				152	152	152				152	152	152				152	152	152													
153	153	153				153	153	153				153	153	153				153	153	153				153	153	153													
154	154	154				154	154	154				154	154	154				154	154	154				154	154	154													
155	155	155				155	155	155				155	155	155				155	155	155				155	155	155													
156	156	156				156	156	156				156	156	156				156	156	156				156	156	156													
157	157	157				157	157	157				157	157	157				157	157	157				157	157	157													
158	158	158				158	158	158				158	158	158				158	158	158				158	158	158													
159	159	159				159	159	159				159	159	159				159	159	159				159	159	159													
160	160	160				160	160	160				160	160	160				160	160	160				160	160	160													
161	161	161				161	161	161				161	161	161				161	161	161				161	161	161													
162	162	162				162	162	162				162	162	162				162	162	162				162	162	162													
163	163	163				163	163	163				163	163	163				163	163	163				163	163	163													
164	164	164				164	164	164				164	164	164				164	164	164				164	164	164													
165	165	165				165	165	165				165	165	165				165	165	165				165	165	165													



ECONOMIC SCENE

By LEONARD SILK

Yield Curves Are Turning Up,  
But the Fed Cannot Lie Down

NEW YORK — It looks increasingly as though the easing of monetary policy by the Federal Reserve and the passage of the tax bill by Congress have come in time to head off the most serious threat to the economic and financial system since the Great Depression.

The risks are not entirely gone. The inability of Mexico to service its \$31 billion of foreign debt is only the latest peril to American and other Western banks. The fall in crude oil prices, which ravaged Mexico, has also hit U.S. petroleum producers and the financial institutions that have lent so heavily to them.

The glut in the world oil market compounded strains resulting from the struggle of the Fed and other central banks to bring inflation under control.

Strict reliance on slowing the growth of the money supply to check inflation had given the United States the most prolonged and intense stage of high interest rates in its history. A credit crisis threatened to bring down the whole house of cards.

Richard Hooley, chief economist of Bache, Halsey, Stuart, Shields Inc., has observed that there are three aspects of a credit crisis: the rate crunch, when interest rates soar; the risk crunch, when many businesses and financial institutions are pushed to the brink of bankruptcy, or over it; and the availability crunch, when tight money policies cut off the supply of credit.

We had not got to the availability crunch had set off a severe risk crunch. Its most symptoms, he notes, included the Drysdale affair; the failure of Penn Square, with major losses likely to unguaranteed deposits; the Banco Ambrosiano crisis in Italy; brief runs at solvent banks in Texas and Canada; large loan losses at some major money center banks; the widely publicized debt problems of such companies as Dome Petroleum, International Harvester and Alfa of Mexico, and the debt crises of Poland, Argentina, Romania and now Mexico.

The Fed's easing of monetary policy and its moves to push down interest rates had all the earmarks of a precautionary move to control the worsening risk crunch that was threatening to feed on itself, jeopardizing the solvency, not only of recklessly run companies but also of innocent bystanders.

The main responsibility of a central bank is not to punish the guilty and reward the innocent but to safeguard the entire economic and financial system. Once it recognized the threat to the system, the Fed moved decisively to inject reserves into the banks and drive down interest rates.

That was the fundamental event that has produced the strong rally in the stock market. The ebullience on Wall Street has persisted after the burst of excitement Aug. 17 over the change in Henry Kaufman's forecast from rising to falling interest rates. That suggests it is much more than a knee-jerk reaction to a forecast.

The stock market is, most importantly, a prognosticator of future earnings, and the continued excitement in Wall Street reflects the growing expectation of economic recovery and improved profits in 1983.

The decline in interest rates has favorable implications not only for economic recovery but for a restructuring of corporate balance sheets to improve liquidity, important to the long-run health of business.

William N. Griggs and Leonard J. Santow, top economists at J. Henry Schroder Bank & Trust Co., note that the yield curve of financial assets of different maturities is now swinging to an upward slope, with short-term interest rates declining well below long-term rates. An upward sloping yield curve, they note, will encourage investors to go long in search of higher rates rather than being rewarded for staying short. Because the prime rate is tied to the movement of short rates, the cost of financing will go down, providing much needed relief to all businesses.

And the return of an upward sloping yield curve will help savings institutions by allowing them to attract savings at costs much closer, or even below, the rate they are earning on mortgages acquired several years ago when mortgage rates were much lower.

The economy is anything but out of the woods yet. The Fed has some tricky problems ahead; it cannot go on indefinitely feeding reserves to the system at a rate that would revive inflation, undermine the Fed's credibility and drive interest rates up again. At the same time, it must stand ready to deal with the remaining financial perils, international and domestic, that are a hangover from the huge debt accumulation and interest-rate squeeze of recent years.

So the Fed will soon have to moderate its infusion of reserves into the banking system while being prepared, at the threat of impending failures of nations or major institutions, to come to the rescue as the lender of last resort.

A halfhearted rescue of the system may have occurred, but peace and quiet are not yet around the corner.

The New York Times

Italy Seeking Controls  
Over Vatican Finances

By John Tagliabue

New York Times Service

ROME — The forced liquidation of Banco Ambrosiano, the biggest bank collapse in Italy since World War II, has emboldened the government and the central bank. But they have at least gained from it a useful weapon in continuing efforts to exercise tighter control over the Vatican's financial affairs, long a sore point.

Since the failure of Ambrosiano earlier this month, following the default of its Luxembourg subsidiary on \$400 million in loans, Italy has stepped up its negotiations with the Vatican.

The aim is twofold, according to officials of the Treasury Ministry and Banca d'Italia: to urge the Vatican to improve surveillance of its broad financial activities, particularly those of the Vatican's bank, and to accept greater cooperation with Italian banking authorities. The banking community here appears to be lending support to the Italian authorities.

A Sensitive Subject

The director of the Vatican bank is Archbishop Paul C. Marinkus of Chicago, Ill. He has taken the unusual step of denying any impropriety in the Vatican's relationship with Banco Ambrosiano. The highest-ranking lay official is Luigi Menzies, who is under investigation by the Italian authorities because of the bank's earlier dealings with Michele Sindona, the Italian financier now in jail in New York.

The case has also led to an unusual interview by Cardinal Agostino Casaroli, the Vatican's secretary of state, who has defended the role of the Vatican bank in its dealings with Ambrosiano.

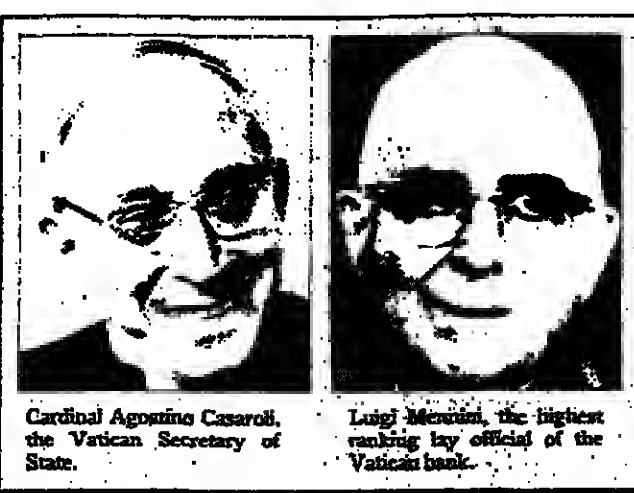
The independence of the Vatican's autonomous city-state within Italy was established in 1929 by the Lateran Treaty. Making changes, however limited, in the concordat that regulates much of the church's activity in Italy is a sensitive subject.

But, commented a senior official of Banca d'Italia recently, "the time has come for more clarity." He said that the two sides were "not close to any final decisions" but that the Vatican bank, Istituto per le Opere di Religione, was "operating as a foreign bank not located in Italy" and that there would have to be "direct separation of the two activities."

The main focus of Italy's concern is the export of capital. As a senior executive at one Milan bank put it, the central bank's efforts are an "attempt to close a large loophole that is evidently used to export capital."

Despite severe criticism of the central bank's handling of the Ambrosiano tangle from bankers in several other European countries, foreign bankers here generally give the Italian authorities high marks. "The central bank can be terribly bureaucratic, but it has good control," commented a senior banker in Milan. Given the sensitivity of the issue, bankers would not be quoted by name.

Though many details remain unclear, one proposal by Italy has



Cardinal Agostino Casaroli, the Vatican's secretary of state. Luigi Menzies, the highest-ranking lay official of the Vatican bank.

been to subject the Vatican's banking operations to reporting requirements and, at least in part, to Italian bank regulation. This would involve the creation of two institutions, one under Italian regulation for the Vatican's lira business, and a second offshore bank, with appropriate controls, for its foreign currency dealings. There are no currency controls now between Italy and the Vatican.

Following charges that the Vatican bore serious responsibility for Banco Ambrosiano's losses, Pope John Paul II ordered an unprecedented investigation of Vatican financial dealings by a three-member team of Roman Catholic lay bankers.

The Italian officials disclosed that their talks with Vatican representatives have included that team, made up of Philippe de Wech, 71, former head of Switzerland's Union Bank; Joseph Brennan, 72, former chairman of the Emigrant Savings Bank in New York; and Carlo Cirutti, 69, the head of Italy's government holding company for telecommunications.

Neither side has disclosed details of the talks, and Treasury Minister Beniamino Andreatta indicated in a recent interview that he did not expect an early conclusion. This, he said, would be a "drawn-out affair."

Second Major Scandal

The liquidation of Banco Ambrosiano is the second major financial scandal to envelop the Vatican bank in eight years — the first involved Mr. Sindona — and the case, according to sources here, has lent urgency to what officials said was a long-term goal of expanding the concordat into a full-fledged economic and financial convention with the Vatican.

The officials said Italy planned to present the Vatican with a list of grievances, ranging from reported involvement of the Vatican bank

(Continued on Page 9, Col. 7)

Wall Street Prices  
Decline Sharply;  
Dow Off 9 Points

Compiled by Our Staff From Dispatches

NEW YORK — Share prices closed sharply lower Friday, although a small rally in late trading trimmed the losses.

Investors were taking profits on the stunning gains of the past two weeks and showing concern over signs that the decline in U.S. interest rates is ending, analysts said.

"The market is taking a breather right now," said Harvey Deutsch, an analyst at Parcell Graham. "It's really not much of a pullback and you should see some buying emerge on the weakness."

The Dow Jones industrial average ended with a decline of 8.94 points to 883.47 after being down about 12 points an hour before the close. From Aug. 12, when the market hit its low for the year, through Thursday, when it reached its 1982 high, the industrial age rolled up a gain of 115.49 points.

On Friday, however, declines led advances by around two to one. Volume totaled about 75 million shares. Though such volume normally would be considered very heavy, it was considerably below Thursday's record turnover of 137.3 million shares and was the lowest since Aug. 16, the day before the market exploded into a rally.

Total volume for the week did set a record, however, swelling to some 550 million shares. The previous record was set last week, when 455.14 million shares changed hands. Turnover exceeded 100 million shares every day this week except Friday.

Part of Friday's decline was traced to disappointment that the Federal Reserve cut its discount rate by only half a point late Thursday. Some analysts had been counting on a reduction of a full point in the central bank's rate for loans to commercial banks.

Analysts said the Fed's action was seen as a move to bring the rate in line with other market rates rather than an effort to bring interest rates down further. Concerns that interest rates may have leveled off received further support Friday afternoon when Henry Kaufman, the chief economist at Salomon Brothers, whose cheerier prediction of Aug. 17 helped ignite the rally, projected that the federal funds rate may not decline further in the near term.

The funds rate, the fee banks charge one another on overnight loans, was trading at around 9 1/2 percent late Friday.

In Friday's forecast, Mr. Kaufman did not alter his forecast for further declines in interest rates over the next 12 months.

Despite lower interest rates, the U.S. economy is having only a "slow motion" recovery, the National Association of Business Economists said Friday. Business economists surveyed expect the gross national product to expand at an annual rate of only 2.7 percent through the second half of 1982.

On the trading floor, Manville Corp., trading for the first time since Wednesday, was sharply lower.

Gold Price Falls  
\$15 in New York

Compiled by Our Staff From Dispatches

NEW YORK — Gold prices dropped sharply Friday, hurt by a rise in short-term U.S. interest rates.

On the New York Commodity Exchange, gold for delivery in September was settled at \$403.10, down about \$15 from Thursday. The December contract plunged the daily limit of \$25, to \$412.50.

Higher interest rates raise the cost of financing gold holdings. Despite Friday's decline, gold prices were up about \$70 from the level of two weeks before.

Further Fall  
In U.K. Rates  
Called Likely

Reuters

LONDON — Britain's four major clearing banks announced Friday a cut of 1/4 percentage point, to 10 1/2 percent, in their base lending rates, and economists predicted further reductions.

The move, the 11th reduction in the lending rate from a 16-percent peak last October, follows a sharp drop in U.S. rates during August.

Economists at Barclays Bank, National Westminster Bank and Lloyds Bank all see rates moving lower before year-end. But an economist at the fourth clearing bank, Midland, said rates could move back up before the end of 1982.

Alan Davies, manager of the economic department at Barclays Bank, said base rates could drop to 9 percent by the end of the year, considering that inflation is expected to fall to about 7 percent. "As long as sterling behaves well, the authorities will keep gradual downward pressure on rates," he said.

He added that he does not see any threat to his forecast from a possible upsurge in U.S. rates. British authorities, like their U.S. counterparts, now think that the economy needs stimulus and are providing that through lower interest rates, he said.

Rate Disappointment

David Lomax, group economic adviser to National Westminster Bank, said base rates could fall by another 1 to 1 1/2 points by the end of the year. U.S. rates are expected to drop further, providing European authorities with room to make further cuts in their domestic rates.

Jackie Whitley, senior economist with Lloyds Bank, was more cautious. She said she believes base rates will certainly fall to 10 percent, but probably not until the fourth quarter. By year-end, she said, the rate could still be as high as 9 1/2 percent.

Treasury Bill Rates Surge Despite Fed Move

Compiled by Our Staff From Dispatches

NEW YORK — The Federal Reserve's latest discount rate cut failed to impress the U.S. credit market, and yields rose sharply Friday.

Late in the day, the Fed announced that the basic money supply, M-1, grew \$1.4 billion in the week ended Aug. 18. The rise was about in line with expectations but could ouge the central bank toward more caution in its credit policy, analysts said.

Late Thursday, the Fed announced a half-point reduction, to 10 percent, in the rate charged on loans to banks and other financial institutions. It was the fourth cut in the rate since July 19. Unlike the previous reductions, however, the latest move did not spark a sharp drop in other interest rates.

At midday Friday, yields on three-month Treasury bills were up 0.85 percentage point on the day to 7 3/8 percent. Rates for six-month and one-year bills increased 0.65 and 0.69 point, respectively,

to 9.38 percent and 10.12 percent. Many analysts said credit market participants had already lowered rates in anticipation of the Fed's announcement. Others had been looking for a cut of a full percentage point in the discount rate.

"I wouldn't consider this an aggressive move on behalf of the Fed," said Robert Parry, chief economist for Security Pacific. "I think the move should be interpreted as getting the discount rate a little bit more in line with market rates."

"This may be the end of the discount rate cuts for a while," said Thomas Thomson, chief economist at the Crocker National Bank in San Francisco. He noted that growth of reserves in the banking system had accelerated recently.

"Money supply growth may be a bit of a problem for the next month," he added. "The huge volume of trading in the stock market of 760 million shares and money supply growth."

Mr. Parry said he expects the Fed to wait before making a further move until it has assessed the strength of the economy.

The Fed's announcement of the discount rate cut hinted at the changed environment. The latest reduction, it said, "was taken to bring the discount rate into better alignment with short-term interest rates." In its previous announcements, the Fed had cited slower growth of money supply and credit demands at banks as well as the

need to keep the discount rate in alignment with other interest rates.

Despite the lower discount rate, some analysts said that the interest rate for overnight bank loans in the federal funds market might well increase in coming weeks to a level slightly above the 9 1/2 percent average for the week ended Aug. 25.

Late Friday, federal funds were trading at 9 1/2 percent, up from 9 1/4 percent late Thursday.

Wienerwald Applies  
For Debt Settlement

Compiled by Our Staff From Dispatches

ZURICH — Wienerwald restaurant group's Swiss holding company, Wienerwald Holding, said Friday it is seeking a legal settlement with its creditors through composition proceedings because some creditor banks stopped supporting an agreement on debt repayment.

The holding company said that despite the composition proceedings, the Wienerwald hotel and restaurant chain will remain open.

The original rescue plan for the Wienerwald group provided for a limited standstill agreement and the sale of money-losing sectors.

Creditor banks concluded a standstill agreement in March on principal repayments, but the eight largest creditors called it off at the end of May.

In June, a consortium of 24 European banks agreed on a moratorium concerning the group's 1982 debt of 760 million Deutsche marks (\$107.2 million), of which 80 million DM were overdue from May.

The accord was limited to Nov. 30, by which time Wienerwald was to have sold off some of its money-losing operations.

Wienerwald Holding said that the debt settlement application

was made necessary when certain members of the consortium withdrew from the agreement.

Banking sources indicated that Swiss banks triggered the exodus from the accord, irritated by the fact that West German syndicate members, notably Deutsche Bank, had claimed as their own collateral contained in the group's more successful West German operation, Wienerwald Deutschland.

When setting up the moratorium, the banks said to have reached an understanding all consortium members were to have equal claim to assets of all units of the Swiss holding company.

Account Still Awaited

Moreover, a banking source said Wienerwald had so far failed to present its banks with a detailed account of its worldwide operations. The account for the group, with worldwide annual sales that peaked at some \$2.2 billion last year, was to be processed by the international accountants group Coopers & Lybrand.

The company's founder, Friedrich Jahn, also started composition proceedings for his personal property. Friday's announcement said.

CURRENCY RATES

Interbank exchange rates for Aug. 27, excluding bank service charges.

	DM	FF	Sw	Yen	£	S	DM	FF	Sw	Yen	£	S
Amsterdam	2.475	1.48	1.48	1.48	1.48	1.48	2.475	1.48	1.48	1.48	1.48	1.48
Brussels	47.25	23.75	19.19	23.75	19.19	23.75	47.25	23.75	19.19	23.75	19.19	23.75
Frankfurt	2.461	1.48	1.48	1.48	1.48	1.48	2.461	1.48	1.48	1.48	1.48	1.48
London	1.295	1.48	1.48	1.48	1.48	1.48	1.295	1.48	1.48	1.48	1.48	1.48
Paris	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Stockholm	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Switzerland	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
West Germany	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Yokohama	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48

Manville Action Poses Legal Questions

By Tamar Lewin

New York Times Service

NEW YORK — Manville Corp.'s decision this week to file for protection from its creditors under Chapter 11 of the federal bankruptcy laws was motivated as much by legal considerations as financial ones.

Manville said it was forced to file for bankruptcy to protect itself

from thousands of legal claims by workers suffering from asbestos-related health problems.

The company took pains to say it was an otherwise viable corporation with no plans to cut back its operations.

It is a peculiar kind of bankruptcy, one which raises a number of novel legal questions.

The act of filing a bankruptcy petition automatically stays all further proceedings in the 16,500 pending lawsuits against Manville, and puts off the 32,000 new asbestos suits Manville is forecasting.

More important, under the bankruptcy code passed in 1978, the bankruptcy court has the power to deal with the potential liabilities Manville faces, whether or not the amount of the damages has been established.

Stephen Case, a New York lawyer who is representing Manville in the Chapter 11 proceeding, said, "Under the new code, we have the opportunity to address all the future claims at one time and treat them all fairly."

"This would not have been possible under the old code, which didn't allow for the resolution of contingent liabilities of no specified amount."

Asbestos has for many years been the United States' number one product-liability problem and is a problem that shows no signs of going away.

Most lawyers who represent asbestos victims, however, think the bankruptcy courts are the wrong place to resolve that problem.

Robert Sweeney, a Cleveland lawyer who represents some 300 asbestos victims, said, "I just don't think a company can walk into bankruptcy court with more than \$2 billion of assets and hundreds of millions of dollars worth of insurance coverage, and say, 'Your honor, please excuse me from these claims.'"

Manville Sues Insurers for \$5 Billion

Reuters

SAN FRANCISCO — Manville said Friday its Johns-Manville Corp. subsidiary has filed suit in the San Francisco Superior Court seeking \$5 billion in punitive damages from a group of insurance companies it said have refused to honor their obligations under various liability policies covering asbestos disease and property-damage claims.

Manville said the failure to pay the claims "so damaged Johns-Manville's operations and cash flows and so strained Johns-Manville's financial resources" that the company was forced to file under bankruptcy laws. It said the actions seek to amend claims filed more than two years ago in which the company sought declaratory judgments, damages and other relief against all of its liability insurance carriers.

The action filed names more than two dozen insurance carriers. Among those listed in the action are Travelers Indemnity Co., a subsidiary of Travelers Corp., and Aetna Casualty & Surety Co., a unit of Aetna Life and Casualty.

"As a matter of equity, it just doesn't wash," Ronald Motley, a Barnwell, S.C. lawyer who represents more than 3,000 asbestos victims, said the Chapter 11 filing is nothing more than a delay tactic.

"We're going to fight them tooth and nail," he said. "It's an absolute fraud."

"The bankruptcy laws weren't set up to allow bailouts for future problems. They've got plenty of insurance to pay these claims."

"Calculated Risk"

"This is a calculated risk on their part, though, because we're going to litigate their eligibility for Chapter 11, and for the first time, we're going to get a good look at their financial records."

"All they're trying to do is create a sympathetic climate in Congress to get the federal government to help them out and, meanwhile, put off paying the victims."

Some industry analysts, too, say Manville is likely to stay in Chapter 11 until Congress enacts some sort of legislation calling for the federal government to contribute to the asbestos claims.

Products liability lawyers seem to think the magnitude of the asbestos claims requires a new compensation mechanism, preferably one that sets a pattern for the handling of major occupational hazard problems that arise in the future.

Bankruptcy lawyers, on the other hand, said the Chapter 11 mechanism is a perfectly reasonable way to handle the asbestos claims.

Ronald Orr, a Los Angeles bankruptcy specialist, said, "I think this is a unique circumstance

tried just to establish damages. Then once the claims are established they could be treated like any other debt Manville owes."

Mr. Trost had a different view: "If the bankruptcy judge allows the cases to go forward, the Chapter 11 filing won't serve Manville's purpose, which I gather was to get rid of all the litigation costs that are dragging them down."

Moves on Legislation

Kenneth B. Noble of the New York Times reported from Washington.

Manville's action, industry observers said, could increase pressures on Congress to act on some form of legislation that would remove from the courts the thousands of lawsuits still pending.

Earlier this year, hearings were held on a bill sponsored by Rep. George Miller, Democrat of California, that would establish a federal system using industry contributions to provide payments to victims of asbestos-related health problems. So far, however, the idea has garnered little support in Congress.

Mr. Miller said Thursday, "It's a fairly rubbery act on the part of Manville to escape liability to lot of injured and diseased workers they have responsibility for."

"We're in the process now of assessing whether we will try to move the legislation immediately so additional companies cannot escape liability."

W. German Prices Fell 0.2% in Latest Month

Reuters

WIESBADEN, West Germany — The cost of living index fell 0.2 percent in the month to mid-August after rising 0.2 percent in July, the Federal Statistics Office said Friday.

The index stood 5.1 percent higher than in mid-August, 1981, compared with a 5.6-percent year-to-year increase in July.

But it's not likely that the bankruptcy court will want to hear all those cases.

"The plaintiffs will want to get the stay lifted so they can go forward in the courts where they filed their cases, and they could be allowed to go up to the point of judgment."

"It's possible that the bankruptcy judge will let those cases be

INTERNATIONAL  
EXECUTIVE OPPORTUNITIES

MAJOR AMERICAN  
OIL SERVICE COMPANY  
IS LOOKING FOR A

MARKETING REPRESENTATIVE

to reside in Paris

The applicant will have preferably oilfield background and must be fluent in both English and French languages. A company car will be provided and expense account.

Please reply with curriculum vitae to the following address:  
Mr. M. J. Chambers, Handelsweg 24,  
7885 TC Nieuw Dordrecht, Netherlands.

AVA  
INTERNATIONAL

REGIONAL  
MARKETING  
MANAGERS

AVA INTERNATIONAL, a rapidly growing manufacturer of downhole completion equipment and surface safety valve equipment, is currently seeking experienced Marketing Managers for both International (Houston based) and Domestic positions, working in the Vice President of Marketing.

Candidates must have a minimum of 6 to 8 years experience including the design of complete well completions (comprising packers—single and dual—downhole safety valves—tubing, dual and annulus—and accessories), together with field experience in installing sub-surface well completions and marketing experience.

AVA offers excellent salary and benefits, including a 100% company paid medical and life insurance plan. Qualified applicants should send resume with salary history to Vice President of Marketing at:

AVA INTERNATIONAL  
1815 Sherwood Forest Dr.  
Houston, Texas 77043  
Telephone: (713) 461-5992  
Telex: 790 582

Equal Opportunity Employer



Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Tables include the nationwide prices up to the closing on Wall Street

[illegible]

Closing prices in local currencies.

[illegible]

Clarion NASDAQ Bidder

## Floating Rate Notes

But:

**Closing prices Aug. 27**

Closing Prices, Aug. 21

177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------

[illegible]

International Herald Tribune



## Aug 27

	Open	High	Low	Settle	Chg.
<b>FOREIGN EXCHANGE</b>					
1 par franc 12 (note: amounts in \$100,000)					
Jan	16.25	16.25	16.25	16.25	0
Dec	16.25	16.25	16.25	16.25	0
Nov	16.25	16.25	16.25	16.25	0
Prev. day's open in 615, net 4					
<b>GERMAN MARK</b>					
1 par mark 12 (note: amounts in \$100,000)					
Jan	2.47	2.47	2.47	2.47	0
Dec	2.47	2.47	2.47	2.47	0
Nov	2.47	2.47	2.47	2.47	0
Prev. day's open in 11.94					
Prev. day's open in 15.45, net 57 1/2					
<b>JAPANESE YEN</b>					
1 par yen 100 (note: amounts in \$100,000)					
Jan	35.78	35.78	35.78	35.78	0
Dec	35.78	35.78	35.78	35.78	0
Nov	35.78	35.78	35.78	35.78	0
Prev. day's open in 14.99, net 13 1/2					
<b>SWISS FRANC</b>					
1 par franc 12 (note: amounts in \$100,000)					
Jan	4.75	4.75	4.75	4.75	0
Dec	4.75	4.75	4.75	4.75	0
Nov	4.75	4.75	4.75	4.75	0
Prev. day's open in 17.25, net 17					
<b>Industrials</b>					
<b>LUMBER</b>					
Chicago bid, R.L. 1st mar 1989, bid 1					
Jan	147.00	147.00	147.00	147.00	0
Dec	147.00	147.00	147.00	147.00	0
Nov	147.00	147.00	147.00	147.00	0
Jan	147.00	147.00	147.00	147.00	0
Dec	147.00	147.00	147.00	147.00	0
Nov	147.00	147.00	147.00	147.00	0
Prev. day's open in 14.00, net 12 1/2					
<b>STEEL, PLYWOOD</b>					
1 par steel 100, cents per ton					
Jan	160.00	160.00	160.00	160.00	0
Dec	160.00	160.00	160.00	160.00	0
Nov	160.00	160.00	160.00	160.00	0
Jan	160.00	160.00	160.00	160.00	0
Dec	160.00	160.00	160.00	160.00	0
Nov	160.00	160.00	160.00	160.00	0
Prev. day's open in 12.99, net 4 1/2					
<b>COTTON</b>					
1 par cotton 100, cents per lb					
Jan	63.50	63.50	63.50	63.50	0
Dec	63.50	63.50	63.50	63.50	0
Nov	63.50	63.50	63.50	63.50	0
Jan	63.50	63.50	63.50	63.50	0
Dec	63.50	63.50	63.50	63.50	0
Nov	63.50	63.50	63.50	63.50	0
Prev. day's open in 22.65, net 1 1/4					
<b>HEATING OIL</b>					
1 par oil, cents per gal					
Jan	71.90	72.10	71.75	72.10	0
Dec	71.90	72.10	71.75	72.10	0
Nov	71.90	72.10	71.75	72.10	0
Jan	71.90	72.10	71.75	72.10	0
Dec	71.90	72.10	71.75	72.10	0
Nov	71.90	72.10	71.75	72.10	0
Prev. day's open in 20.10, net 15 1/2					
<b>Stock Indexes</b>					
<b>S&amp;P COMP. INDEX</b>					
points and cents					
Jan	116.00	117.00	115.10	115.10	-2 1/4
Dec	117.00	118.00	116.00	116.00	-2 1/4
Nov	118.00	119.00	117.00	117.00	-2 1/4
Jan	117.00	118.00	116.00	116.00	-2 1/4
Dec	118.00	119.00	117.00	117.00	-2 1/4
Nov	119.00	120.00	118.00	118.00	-2 1/4
Prev. day's open in 13.70, net 72 1/2					
<b>VALUE LINE</b>					
points and cents					
Jan	127.00	128.00	125.00	126.00	0
Dec	128.00	129.00	126.00	127.00	0
Nov	129.00	130.00	127.00	128.00	0
Jan	130.00	131.00	128.00	129.00	0
Dec	131.00	132.00	129.00	130.00	0
Nov	132.00	133.00	130.00	131.00	0
Prev. day's open in 2.75					
Prev. day's open in 3.20, net 8 1/2					
<b>COMMODITY INDEXES</b>					
points and cents					
Jan	68.01	68.25	67.25	67.25	0
Dec	68.01	68.25	67.25	67.25	0
Nov	68.01	68.25	67.25	67.25	0
Jan	68.01	68.25	67.25	67.25	0
Dec	68.01	68.25	67.25	67.25	0
Nov	68.01	68.25	67.25	67.25	0
Prev. day's open in 10.23					
Prev. day's open in 4.83, net 27 1/2					
<b>Commodity Indexes</b>					
Moddy's.....	Close	Previous			
Reuters.....	1220.30	1220.10			
D.J. Futures.....	1220.30	1220.10			
Moddy's.....	Close	Previous			
Reuters.....	1220.30	1220.10			
D.J. Futures.....	1220.30	1220.10			
Moddy's.....	Close	Previous			
Reuters.....	1220.30	1220.10			
D.J. Futures.....	1220.30	1220.10			

## Eurocurrency Interest Rates

**London Commodities Aug. 27**

Plasma in sterling per metric ton.  
Oct. 1st to Oct. 4th in dollars per metric ton.

Month Close Previous

SUGAR

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

COCCA

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

COFFE

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs of 5 tons.

WT 100 lbs of 5 tons.

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs of 10 tons.

WT 100 lbs of 10 tons.

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs of 100 tons.

SUGAR

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs of 10 tons.

COCCA

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs of 5 tons.

COFFE

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

WT 100 lbs. Open interest: 770

**London Metals Aug. 27**

Plasma in sterling per metric ton.  
Silver in prices per tray ounce.

Month Close Previous

High grade copper cathodes:

Aug.	N.Y.	102.50	102.50	102.50	102.50
Sept.	N.Y.	102.50	102.50	102.50	102.50
Oct.	N.Y.	102.50	102.50	102.50	102.50
Nov.	N.Y.	102.50	102.50	102.50	102.50
Dec.	N.Y.	102.50	102.50	102.50	102.50
Jan.	N.Y.	102.50	102.50	102.50	102.50
Feb.	N.Y.	102.50	102.50	102.50	102.50
Mar.	N.Y.	102.50	102.50	102.50	102.50
Apr.	N.Y.	102.50	102.50	102.50	102.50
May	N.Y.	102.50	102.50	102.50	102.50
June	N.Y.	102.50	102.50	102.50	102.50
July	N.Y.	102.50	102.50	102.50	102.50
Aug.	N.Y.	102.50	102.50	102.50	102.50

Government has reached a \$24-million settlement with more than 100 other companies that used the 10-acre Chem-Dyne Corp. dump site in downtown Hamilton. It stores hundreds of thousands of gallons of chemical and industrial wastes, including arsenic and polychlorinated biphenyls (PCBs).

The lawsuit, alleging violations of the Resource Conservation and Recovery Act and the so-called Superfund law, seeks an injunction requiring a cleanup and that the defendants reimburse the government for past and future costs. It was filed in U.S. District Court in Cincinnati against those companies that refused to take part in the negotiations.

**Developing Lands Plan To Establish a Bank**

**Reuters**  
**MANILA** — Senior officials of developing countries have agreed to set up a bank to finance activities promoting cooperation between them, an official of the group said Friday.

Abdelwahab Kerecmane of Alger-

**Cash Prices**

Aug. 27

Abdelwahab Keremane of Algeria, chairman of the Group of 77, a

*Journal of Management Studies*, 20(6), 791-806.

(Continued from Page 7)

in illicit capital imports and exports to the Vatican's role in obscure financial deals that have led in recent years to serious bankruptcies, including the fall of Mr. Sindona.

Mr. Sindona, a Sicilian-born lawyer, is serving a 25-year jail term in New York for his role in the failure of the Franklin National Bank. He used two small banks in which the Vatican had interests to build up his holding in Franklin National before its failure.

Much of the controversy centers on Istituto per le Opere di Religione. The bank publishes no balance sheet, and is not known for its day-to-day operations. Italian officials said it employs about 70 persons and that its assets are estimated at \$3 billion to \$4 billion.

The bank, they said, operates as a commercial bank, turning an annual profit estimated at about \$20 million, largely by managing the investments of various organizations and those of clergy and lay persons connected with the church.

There are close ties to Italian banks. The Vatican bank holds shares in several of them. Cardinal Marcinkus sat on the board of Ambrosiano's Nassau subsidiary in the Bahamas.

The Banco Ambrosiano scandal centers on some \$1.4 billion in loans that the bank's subsidiaries made in Latin America that were endorsed by the Vatican bank. Cardinal Marcinkus, according to Italian investigators, also received letters from Roberto Calvi, Ambrosiano's chairman, absolving the Vatican from responsibility for the loans. Mr. Calvi was found guilty under a charge of fraud in June; the death was ruled a suicide.

The Vatican has refused responsibility for the loans. And in a usual interview with L'Espresso, an Italian news magazine, Cardinal Casaroli, the Secretary of State, repeated the Vatican's contention that the first letters did not imply full guarantees. "In the opinion of experts," the Cardinal said, "the tone of those letters, which are part of normal bank practice, is such that they do not imply necessarily total commitment."

## Japan Trade Surplus

**Posted Decline in July**

**Restarts**

**TOKYO**—Japan's merchandise trade surplus declined slightly in July to \$7.33 billion from \$7.44 billion in June, according to the Ministry of Finance.

## COMPANY REPORTS

Consolidated Foods			Gold Markets		Ang.	
4th Quor.	1982	1981		A.M.	P.M.	
Revenue.....	1,740.	1,410.	Hong Kong	424.80	408.25	Ch
Profits.....	50.94	44.16	Luxembourg	420.00	412.00	+
Per Share.....	1.74	1.50	Paris (12.5 kilo)	414.85	412.00	+
Year	1982	1981	Zurich	421.25	417.25	+

Revenue.....	6,040.	\$610.	London.....	418.00	Paris.....
Profits.....	154.74	148.28	New York.....	418.00	Vienna.....
Per Share.....	5.39	4.67	Official fixings for London, Paris + Luxembourg, opening and closing prices Hong Kong and Zurich, N.Y., Monday & Home U.S. dollars per ounce.		

<b>Esmark</b>		
3rd Quor.	1982	1981
Revenue.....	779.1	\$140.
Profits.....	20.8	27.4

Per Share.....	1.63	2.07
9 Months	1982	1981
Revenue.....	2,330	2,830
Profits.....	62.5	72.1
Per Share.....	4.63	5.39

**Stevens (J.P.)**

3rd Quarter	1982	1981
Revenue.....	1,000	1,000
Profits.....	100	100
Per Share.....	1.00	1.00

**Gold Options (prices in \$/oz)**

Price	Aug.	Nov.	Feb.
360	47.00-52.00	56.00-58.00	60.00-62.00
410	41.00-44.00	47.00-50.00	50.00-52.00
430	39.00-42.00	45.00-48.00	48.00-50.00
450	20.50-23.50	26.50-29.50	30.50-33.50

Revenue.....	423.7	514.7	471	14,001,710	19,365,223
Profits.....	6.2	—		Gold 421.80-423.00	
Per Share.....	0.43	2.54			
9 Months	1982	1981			
Revenue.....	1,330.	1,460.			
Profits.....	13.4	—			
Per Share.....	0.93	2.17			

**Valeurs White Weld S.A.**  
 1, Quai du Mont-Blanc  
 1211 Geneva 1, Switzerland  
 Tel. 31 62.51 - Telex 28.305

## ON DIRECTORY

**DO YOU WANT A COLLEGE EDUCATION YOU CAN USE?**  
Then look at the Benelux's largest international business school:  
**EUROPEAN UNIVERSITY Antwerp**  
affiliated with several leading American universities.  
Small classes • Close professor-student contact and co-operation!

Degree programs available: • Bachelor of Business Administration • Bachelor of Arts/Economics • Bachelor of Public Administration • Bachelor of Accounting • Bachelor of Computer Sciences • Bachelor of Science/Engineering • Bachelor of Arts/Political Science • Bachelor of Arts/Languages.

Total tuition fees: B.Fr. 120,000 per year.

• Also Master of Business Administration and  
• Master of Public Administration ([examina@univ.ch](mailto:examina@univ.ch))

For information, contact: Prof. Dr. X. Nieberding, President,  
EUROPEAN UNIVERSITY, Amerikalei 131-133, 2000 Antwerp.  
Tel. after 7 p.m.: 03/238.10.82.  
(In the summer months: all weekdays from 9 a.m. to 5 p.m.)

EUROPE	BELGIUM
--------	---------

**DO YOU WANT A COLLEGE EDUCATION YOU CAN USE?**  
Then look at the Beneflux's largest international business school:

## EUROPEAN UNIVERSITY Antwerp

affiliated with several leading American universities.

**Small classes • Close professor-student contact and co-operation!**

**Degree programs available:** • Bachelor of Business Administration • Bachelor of Arts/Economics • Bachelor of Public Administration • Bachelor of Accounting • Bachelor of Communications • Bachelor of Science/Engineering • Bachelor of Arts/Political Science • Bachelor of Arts/Languages.

**Total tuition fees:** B.Fr. 120,000 per year.

- Also Master of Business Administration and
- Master of Public Administration (evening courses).

**For information, contact:** Prof. Dr. X. Nieuwland, President, EUROPEAN UNIVERSITY, Amerikalei 131-133, 2000 Antwerp.

**Tel. after 7 p.m. 03/238.10.82**

**(In the summer months: all weekdays from 9 a.m. to 5 p.m.)**

**THE F.E.C. SCHOOL** Antwerp

**THE E.E.C. SCHOOL - Antwerp**  
*An Independent International School*  
 Tuition per academic year: Grades 7 - 12: B.F. 95.000  
 Grades 7 - 6: B.F. 61.000  
 Kindergarten : B.F. 49.000  
 Located in Central Antwerp on the campus of European University, The E.E.C. School offers a full curriculum to grades KG through 12, with a valid U.S. High School Diploma. This diploma has been given equivalency per the student to the Belgian High School Diploma (Diplôme homologué) by the government after graduation studies. Students are also eligible for Oxford and London Board GCSE examinations. Easy commuting from Brussels.  
 Contact: Prof. J. Wells, E.E.C. School, Jacobs Jordaansstraat 81, 2000

Antwerp. Tel.: 03 / 239.63.77

riculum load-  
entences and  
illage Board  
and language for  
riginal Language  
calculators.  
resources  
language  
ation write to:  
and literature

**FRENCH 66**

☐ Teaching staff presents from 8 a.m. to 10 p.m. - 95 hours per year. Study and practice in French.  
☐ FRENCH, GERMAN teaches French exclusively. ☐ Periodical  
in French. ☐ Grammar (first and second private  
sessions. ☐ Week and week-end: continuous  
bachelor. ☐ Holiday courses for your children.

References: private, companies, embassies, EEC, European Parliament, SHAPE.  
Brochure and references: CERVAN, 11 Avenue de la République, 92000 Nanterre. Telex 6550.  
Tel. (intern.) 32-87.7730-66. CERVAN: INTENSIVE AND EFFECTIVE.

**GERMANY**

**U.S.A.**

MOUGINS  
75.75.50

**DE** (Nice)

**CAIS**

Courses with Diplomas  
in English  
(Please apply for  
admission EH)


**NATURAL MEDICINE**

- o Pathology
- o Nature cure treatment
- o Acupuncture
- o Reflexology
- o Homoeopathy
- o Irridology
- o Psychotherapy

**MEDICAL & VETERINARY MEDICINE**

Now accepting applications for study leading to degree in both Medical and Veterinary Medicine. Courses taught in English. Program under guidance of American Dental Association curriculum. Transfer students accepted. Semester begins November 1992. One or co-ordinated school and field in

W.H.O. and affiliated with U.S. hospitals for clinical rotation.

<p><b>SCHOOL</b> 06000 NICE 33.33.84</p>	<p><b>HOEFERLIN-ACAC</b> D-7859 Weil am Rhein West-Germany</p>		<p><b>Ross University</b> School of Medical &amp; Veterinary Medicine Portsmouth, Dominica, W.I. Attention: Mr. Butler or Caribbean Admissions, Inc. 16 West 32 St. NYC 10001</p>
<p><b>DON'T MISS</b> International Herald Tribune's special advertising feature on</p>			

## EDUCATION

# EDUCATION

which will be published on

## SATURDAY SEPTEMBER 11, 1982

please contact your nearest IBT representative or  
Françoise CLEMENT,  
Charles-de-Gaulle, 92521 Neuilly Cedex, France.  
Tel: 747.12.65. Tel.: 6135995.

- Wanting to accelerate
- Who have lost one or more years
- With academic difficulties
- Foreign students wishing to enter American universities

for catalog describing the academic program write:

S. WOODHALL  
Director of Admissions  
SAFORD ACADEMY  
Dept. H Westwood, Conn. 06496  
Educational Transcriptions Since 1906

---

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains.



## Transport Tie-Up By Jim Page

**ACROSS**

Elevates  
 wimes, as  
 a garage  
 Peaks  
 "Das  
 Rheingold"  
 role  
 Ending for e  
 — her woman  
 Holmes  
 Barks's beate  
 Forks out  
 Emulates  
 Sunny Jim  
 Fitzsimmon  
 Rabbit—  
 "Sunny" cry  
 Perle's kny  
 Beanie wear  
 Bearing  
 In a twirling  
 Long, long time  
 Bash  
 Cordage fibe  
 King of Judo  
 "To —"  
 Burns  
 Resilient  
 Point or aim  
 — majest  
 An Iranian  
 language  
 Sends out  
 motorcycles  
 River in a  
 — Tired,  
 Beatles song  
 She created  
 Morfins  
 — with  
 cool or cook  
 Pool person  
 Hammer pa  
 Speedily  
 Diocese  
 Magi guide

**DOWN**

Hibernates  
Forch's cri  
mount in "Of  
nomal"  
Fleming an  
Smith  
—dixit  
Seeing  
— a Kic  
out of You  
author Bon  
camps  
Record-bre  
ing horse  
etter from  
reece  
We—no  
mused"  
lace for a  
river

## BOOKS

**ITALIAN JOURNEY (1786-1788)**  
By Johann Wolfgang von Goethe. Translated from the German with an introduction by W.H. Auden and Elizabeth Mayer. 507 pp. \$15.50. North Point Press, 850 Talbot Ave., Berkeley, Calif. 94706.

Reviewed by John Leonard

AT THE age of 37, Goethe experienced what today we would trivialize as a "midlife crisis." He was already, in W.H. Auden's phrase, "an international tourist attraction," as a consequence of "The Sorrows of Young Werther." He had, almost by accident, spent 11 years in Weimar as a minister of state, inspecting the mines, superintending irrigation projects and seeing to it that the army had new uniforms. Suddenly, without the permission of his many friends, he went south on what was supposed to be a holiday and stayed away for two years. When he returned, he was no longer a politician.

"Italian Journey" is an interweaving of his letters and journal entries as "a fugitive from the north," who found himself "observing and breathing in the air of the south." It is direct, good-humored, opinionated and engaging in every respect. This is Goethe the likable rather than Goethe the genius. If I have a bone to pick, it is that there must be something wrong with a man who spends a year and two years in Italy and then only three hours are devoted to Florence.

**Away With Folly**

But Goethe wasn't much interested in the Middle Ages or even the Renaissance. In Verona, he didn't bother to visit Juliet's tomb. In Venice, he had almost nothing to say about San Marco or the Doge's palace. All he seems to have seen in Assisi was the Temple of Minerva. He was hurrying back to Rome after the Gothic folkies.

"Our saints squatting on their stonc brackets and piled one above the other in the Gothic style of decoration, or our pillars which look like tobacco pipes, our spiky little towers and our cast-iron flowers" — toward classical antiquity and balance. He soon found the "sacred, sensuous feeling, and he found himself."

"In Rome I have found myself for the first time. For the first time I have been in harmony with myself, happy

walked home slowly through the streets. The Piazza di Monte Cavallo with its obelisk is a remarkable place."

It was exactly thrilling. But this more or less unbought Goethe wins our hearts, whether he is explaining why the organ is such a disgraceful instrument ("It does not blend with the human voice and it is much too loud") or ordering a plaster cast of Raphael's skull (with its "beautifully proportioned brainpan") to contemplate on his return to the city.

Auden thinks that Goethe found sex in Rome, although not perhaps as much as Byron found in Venice. No matter. How lucky for him that he was rich enough to spend two years on a working vacation. How lucky for us that he wrote about it, before the French Revolution changed his world and ours.

and reasonable." By the time we read these sentences, on page 482, we are prepared to believe him. He has been suspected, in northern Italy, of being an Austrian spy. He has faced arrest by the cranky tyrant of Messina for having failed to appear at dinner. He has loved and lost a blue-eyed young woman from Milan. He has climbed Vesuvius, sailed between Sicily and Charybdis, snatched "a noon nap on the papal throne," in the Sistine Chapel, given away a pine tree and tried without success to make a model

All this in his spare time. He is otherwise a voracious learner and draws, revising four of his unpublished plays, collecting chips of cooled lava and botanical samples, reading coins, posing for portraits and busts, studying comparative anatomy, discussing etymology and arguing the relative merits of Raphael and Michelangelo. He invents a system to tell time in late September from the ringing of bells in Verona, dreams up sanitation regulations for the Republic of Venice, publishes a book and identifies, perhaps a trifle vanguardishly, with 1958.

His approach is sometimes hilariously economic. Thus, in "marvelous accounts" Naples he seeks to dispel the illusion that most people there don't work by classifying all the workers according to category — porters, carriage drivers, sailors and "shermens, beggars, garbage collectors, peddlers, cradai toy- and attaching a little essay to each category. In an equally marvelous account of the Roman Carnival, to which he is unsympathetic, he does the same thing: The circus, the climate and clerical dress, the formal for complete license, masks, confetti and so on.

We ride with him on horseback. We almost

**DOCTORS**

MAYBE I WAS WRONG.  
MAYBE I'M NOT SO FOND  
OF HIM AFTER ALL!



Schach

BECAUSE THEN  
I'D HAVE TIME  
TO FIX THE  
SINK

AND YOU TOLD HIM?

YOU GUYS ARE ALL LEAVING ANYWAYS. WE HAVE TO DO BUSINESS WITH THESE PEOPLE.

## DENNIS THE MENACE



IT WAS NICE TO HEAR FROM

YOU, DEAR."

**International Herald Tribune**  
**We've got news for you.**

IT WAS NICE TO HEAR FROM  
YOU, DEAR."



## SPORTS

## Little Sailing for Top Seeds in U.S. Open

By Neil Amdur  
New York Times Service

NEW YORK — John McEnroe, Jimmy Connors and Ivan Lendl, the top three seeded players in men's singles, face potentially troublesome opponents in the early rounds of the U.S. Open tennis championships, which start next Tuesday.

The top-seeded McEnroe, who will be seeking a fourth consecutive title, drew Tim Gulikson for his opening match at the National Tennis Center. McEnroe has won six of seven previous matches, but Gulikson upset McEnroe in the round of 16 at Wimbledon in 1979. And McEnroe has had a painful blister on his right foot that has hampered some of his preparations this week. McEnroe and Tim Gulikson have not played in almost two years, but last year, McEnroe beat Gulikson's twin brother, Tom, at Wimbledon and in the U.S. Open.

McEnroe's potential opponents this year after Tim Gulikson are Jay Lapidus, a hard-serving left-hander, who won a recent Grand Prix event in Vermont, Vince Van Patten, Mark Edmondson, Gene Mayer, Lendl or José-Luis Clerc and Connors.

Connors, the No. 2 seed, has a draw that could send him against Jeff Borowiak, Hank Pfister, Jimmy Arns and Johan Kriek in his first four matches. Connors, the Wimbledon champion, said earlier this week that he was hitting the ball as "solid as ever," despite a recent drubbing by Lendl, and could benefit in

the later rounds if McEnroe and Lendl meet in the semifinals. Connors has Guillermo Vilas and Vitas Gerulaitis in his half of the 128-player draw.

"I was flat," Connors said, when asked about his 6-1, 6-1 loss to Lendl in the semifinals of the recent Association of Tennis Professionals championships. "No excuses, I just was stale."

Lendl's path to the final is filled with potential potholes. Ramesh Krishnan of India is consistent enough to be an opening-round problem, although he lacks enough power on hard courts and has lost twice to Lendl this year. After Krishnan looms Tim Mayotte, a Wimbledon semifinalist; Thierry Tulasne, Mats Wilander, and either Clerc or Yannick Noah, even before McEnroe or Connors.

Easy Path for Navratilova

The women's draw, also held Thursday at the Grand Hyatt Hotel in Manhattan, produced relatively clear sailing to the quarterfinals for top-seeded Martina Navratilova. Then there is a possible meeting with her doubles partner, Pam Shriver, seeded No. 7. If Navratilova is to win her first U.S. Open, however, along with the third leg of the Grand Slam and another \$500,000 in the Playtex Challenge Series, she may have to beat Tracy Austin in the semifinals and either Chris Evert Lloyd or Andrea Jaeger in the final.

Austin, the defending champion, stopped Navratilova, 1-6, 7-6, 7-6, in last year's final.

The 19-year-old Californian has played only one tournament since Wimbledon and has the stiffest draw among the top women seeds, with such potential opponents as Catherine Tanvier, Beth Norton, Sabina Simmonds, Virginia Ruzici and Hana Mandlikova or Billie Jean King en route to the semifinals.

The notion that the women cannot produce enough stimulating matches to fill a 128-player draw could be dispelled this year. Evert, seeded No. 2, and a five-time champion, drew Bonnie Gadusek, who is 17th in the latest Women's Tennis Association rankings, in the first round and then possibly Virginia Wade.

Mima Jausovec, No. 11, should be sufficiently challenged by Joanne Russell, who played well at Wimbledon in reaching the quarterfinals. Kriek, No. 12, will be greeted in her return to singles at the U.S. Open by Susan Mascarin, a steady baseliner. Among newcomers, Helena Sukova of Czechoslovakia will bear watching in her first match with Ros Fairbank of South Africa.

A number of lively first-round men's matches should enhance the first few days of the tournament, which will offer a record \$1.5 million in purses. These include Wilander, the Swedish teen-ager who won the French Open, against Bill Scanlon, a streaky serve-and-volleyer; Noah versus Kevin Curren, a South African, who is always dangerous on hard courts; and against Kim Warwick of Australia; Steve Denton, Henri Leconte, and Brian Teacher vs. John Sadri.



John McEnroe

## Orioles Extend Streak By Downing Blue Jays

Compiled by Our Staff From Dispatches

BALTIMORE — Eddie Murray hit two home runs, including a grand slam, and Rich Dauer and Cal Ripken hit three-run blasts Thursday night, helping the Baltimore Orioles defeat the Toronto Blue Jays 12-5, for their sixth straight triumph.

Murray's grand slam, his second of the year and the seventh by the Orioles, came batting left-handed off reliever Tom Schrom and highlighted an eight-run third inning.

## BASEBALL ROUNDUP

ning. It was Murray's 22d homer of the year, and it extended his hitting streak to nine games.

Murray hit his second homer of the game with one on in the eighth, this time from the right side of the plate to record his 19th RBI in his last nine games. Dauer, who opened the third with a walk, capped the eighth inning with his home run to left off Schrom.

Storm Davis (4-3) earned the victory by giving up six hits and three runs while walking one and striking out nine batters in seven innings of relief. Scott McGregor started for Baltimore but was forced to leave the game after only two batters with soreness in his left shoulder. It was the second straight game in which McGregor has failed to retire a batter.

Angels 10, Red Sox 1  
Red Sox 4, Angels 3

In Boston, Dwight Evans homered in a four-run third inning and reliever Bob Stanley pitched 6½ innings of four-hit shutout ball to help Boston beat California 4-3, for a split of their day-night doubleheader. In the afternoon game, California had 16 hits, including home runs by Brian Downing and Doug DeCinces, and Ken Forsch (11-9) won his 100th major league game.

Expos 3, Astros 2  
Expos 5, Astros 3

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

game as the Angels routed the Red Sox, 10-1.

Yankees 7, Twins 2

In New York, Rick Cerone drove in two runs with a double

and Lee Mazzilli scored three with a home run in a five-run fifth as New York beat Minnesota, 7-2.

With New York trailing 2-1, Jerry Mumphrey and Craig Nettles singled, and Roy Smalley sacrificed.

Corone lined a hit over the head of left-fielder Gary Ward to score Mumphrey and Nettles. Willie Mumphrey's single sent Cerone to third, and Mazzilli homered off Brad Havens (8-10) for a 6-2 lead.

Royals 5, Rangers 3

In Arlington, Texas, John Wathan's two-run single in the eighth helped Kansas City move

into a tie with California for first place in the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven

innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

In the National League, in Montreal, Gary Carter hit his second

two-run homer of the game with one out in the eighth inning to give Montreal a 5-3 victory over the Expos.

In the American League West by beating Texas, 5-3. Bud Black (4-4) allowed five hits, struck out three and walked two in seven innings. Dan Quisenberry finished and earned his 30th save of the season.

Mariners 5, Tigers 4

In Seattle, the Mariners ended a seven-game losing streak on Manny Castillo's homer in the eighth — his first in the majors — with a 5-4 victory over Detroit.

## SPORTS BRIEFS

## Kotar Tumor Confirmed as Malignant

NEWARK, N.J. — Hospital officials confirmed Friday that Doug Kotar, a former running back for the New York Giants, is suffering from a malignant brain tumor.

"A pathology specimen report shows a malignant tumor," said Jenita McDaniel, a spokesman for the hospital. "The probable course of treatment will be in a form of radiation therapy." She did not speculate on when the treatment would begin.

Kotar, 31, was on the operating table Tuesday as surgeons explored the possibility of removing the tumor. But the growth was near the center of the brain, and doctors decided that surgery would be too risky.

## Holmes to Defend Title Against Cobb

NEW YORK — The boxing world moved closer to having only one heavyweight champion when it was announced Thursday that Larry Holmes would defend his World Boxing Council title against Randall (Tex) Cobb, probably in November.

Don King, Holmes' promoter, thus cleared the way for another of his fighters, Michael Dokes, to challenge Mike Weaver for the World Boxing Association's version of the title. Weaver had signed first to defend against Cobb for a Texas promotions company, Tapco, and later signed with King to meet Dokes, the mandatory challenger.

The WBA ruled recently that Weaver first had to defend against Cobb. But a Weaver-Cobb matchup has been postponed twice, the latest time when the challenger suffered a badly cut lip in sparring before a scheduled July 25 bout. Had a Weaver-Cobb bout taken place, Holmes would probably have had to wait for Dokes to get a title shot.

## Ayala Is Charged With Burglary



